CANADIAN INVESTMENT OPPORTUNITIES FEATURED

# The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 190 Number 5884 New York 7, N. Y., Thursday, September 24, 1959 Price 50 Cents a Copy

## Rich Natural Wealth of Canada's Ungava Area

By EDMOUR GERMAIN

**An experienced observer reports on Canadian opportunities provided by tremendous, rapidly moving hydro-electric, and steel and ore developments in the whole Ungava area of Quebec. The writer names participants in the syndicates involved; notes their plans; discusses the possibilities of two-way wheat and ore hauls on the seaway route; and points out how badly hydro power and ore deposits were underestimated. The Quebec Far North alone is said to have spent $1 billion on resource development and in this generation's lifetime is expected to expend tens upon tens of billions of dollars on iron mining and power projects.**

Iron ore and hydro-electric power are to eastern Canada, and in particular to the region of Ungava and other immediately contiguous areas in northern Quebec, as wheat and oil are to all the western provinces of the country combined. Canada is immensely rich in every one of these resources but the question arises which, in the long run, will stand out above the rest. There will be differences to be sure, but at this point in the history of their respective development it is not easy to be dogmatic how the race will end. The west is somewhat ahead in the competition now but its lead can't be for long. The contest certainly won't be one-sided. What is certain is that great strides will be made in each of these directions. What is so very new to the situation, however, is that dramatic events in the east will be vying with western projects for public attention. One billion dollars is being spent on resource development in the Quebec Far North alone on immense ventures on which nearly 10,000 men are currently employed to rush the work. But this is the barest beginning. It is a conservative estimate that tens upon tens of billions of dollars will be expended within the lifetime of the present generation on iron

E. A. R. Germain

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EDITORIAL

## As We See It

Said the President in a recent public statement:

*"When this first session (of the Eighty-Sixth Congress) began eight months ago, a greatly increased Democratic majority arrived in Washington apparently convinced, first, that there was still a recession; second, that it was bound to get worse; third, that heavy Federal 'pump-priming' was our only salvation; and fourth, that they were mandated by the American people swiftly to enact these huge spending programs into law.*

*"As a result, last January the majority in Congress sponsored many schemes to plunge billions of dollars into Federal programs which I opposed as unwarranted or excessive.*

*"The American public at once and emphatically stepped in. By letters, telegrams, telephone calls and personal visits to their Congressmen, the folks back home demanded a halt to excesses being advanced in Congress. Before the session had been under way two months, the public had forced the majority to shelve at least temporarily its more lavish proposals.*

*"This was an historic turnabout. It is high tribute to the good sense and political vigor of our citizens. . . ."*

The outgiving by the President from which these paragraphs are taken must, of course, be regarded as essentially a political tactic, and a good political tactic. Any word or act by a responsible public official, most of all by the President of the United States, which tends to promote great moderation, not to say sanity, in the outlay of the public funds of the nation is definitely to be commended, and we are glad to give our hearty applause to the President in this instance, or at least to those portions of his statement

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## The Canadian Economy: 1959 a Milestone Year

By DR. IRA U. COBLEIGH
*Enterprise Economist*

**A panoramic review of economic progress and significant achievements of the current year, followed by tabulation of a distinguished list of Canadian equities, listed and unlisted, with unbroken dividend records ranging from 5 to 131 years.**

Nineteen fifty nine will long remain in the memory of Canadian citizens. It has been a milestone year characterized by a swift resurgence in the economy from the recession of 1958, renewed strength in the Canadian dollar (carrying it above $1.05 in U. S. funds), striking oil in the Yukon Territory, and crossing wheat and rye to create a new grain, Whye. Even more significantly however, 1959 marked the official opening of the St. Lawrence Seaway. On July 26th Queen Elizabeth, President Eisenhower and Prime Minister Diefenbaker, in an historic ceremony, brought to commercial and maritime reality an international project dreamed about and talked about for half a century. The Seaway opens broad new horizons of commerce and trade for both the United States and Canada, and creates, as a by-product, a huge new supply of hydro electric power. The occasion was, moreover, a splendid tribute to the friendship and cooperation of two great nations, bulwarks of peace on a troubled planet, who share the longest unfortified border in the world.

As the Queen and Prince Consort moved from the Seaway festivities on a six weeks summer tour of the Dominion, they could see at first hand the evidence of dynamic Canadian progress. They could see it in the wheat fields of the Western Plains, on the cattle ranches of Alberta, in the oil fields of the Western Provinces, the timber stands of the Pacific slopes, the mines of Ontario

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**LONG-TERM CANADIAN CASH DIVIDEND PAYERS**—An integral feature of the cover page article "The Canadian Economy: 1959 a Milestone Year" are the tables showing Canadian common stocks on which consecutive cash dividends have been paid up to 131 years.

# The Security I Like Best

**A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.**

*(This is under no circumstance to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)*

**This Week's Forum Participants and Their Selections**

**Baird-Atomic, Inc.** — William J. Burke, Jr., Vice-President and Treasurer, May and Gannon, Inc., Boston, Mass. (Page 2)

**Camco, Incorporated**—Thomas W. L. Cameron, of Hopper, Soliday & Co., Philadelphia, Pa. (Page 2)

**WILLIAM J. BURKE, JR.**
Vice-President and Treasurer,
May and Gannon, Inc., Boston, Mass.

**Baird-Atomic, Inc.**

Three areas of technology today hold the most appeal for the investor, the analyst and the broker. These three dynamic fields — space, electronics and atomic energy — all have a common denominator: the promise of new products, processes and knowledge which in turn represent potential sources of yield for the investor.


William J. Burke, Jr.

Although most science-based stocks actively traded are those of companies which boast competence and a respectable record of accomplishment in one or two of the specialized areas noted above, few can point to a singular record of achievement in all three. An exception, however, is Baird-Atomic, Inc., Cambridge, Mass., which operates effectively in electronics, nucleonics and space technology and — over a 25-year span — has built a position of leadership through pioneering in each of these fields.

The company's diverse product line falls into two broad categories: optical equipment and atomic/electronic instruments. Although quite accurate, these all-inclusive product area groupings belie the fact that the Baird-Atomic line reaches across the entire spectrum of industrial technology with existing or potential application in virtually every manufacturing and process operation. In addition, Baird-Atomic instruments provide the industrial and medical researcher, the college laboratory and the government scientist the basic analytical and investigational tools to forge a continuing chain of progress in his own specialized field.

### Optical Equipment

Baird-Atomic's spectrochemical instruments enable investigations in a variety of industrial and research situations. The company's three - Meter Grating Spectrographic unit enables analysis of a wide range of elements. The more widely-known Direct Reading Spectrometer and a smaller unit — the Spectromet — are used throughout the metals industry for test of metals, ores and alloys and for analysis of simple or complex combinations of elements. The former instrument can analyze an alloy containing as many as 60 elements, with the percentage concentration of these elements read directly from a series of indicators on the face of the unit.

Baird-Atomic manufactures a line of infrared spectrophotometers for chemical analysis of materials used extensively in research and production control. User organizations include manufacturers of chemicals, drugs, textiles, plastics, petroleum and a number of research and university installations.

The company's flame photometer is used in hospitals and medical laboratories from coast to coast for the determination of the ratio of potassium and sodium in body fluids. Such measurement is extremely important in cases of post-operative shock and during progress of certain diseases.

A major area of emphasis in the company's optical equipment line is made up of optically-oriented products for navigation and tracking, among other uses. Baird-Atomic is a major supplier of sextants to the government and, at the request of the Department of Defense, developed a new-type periscopic sextant for use in certain military aircraft. The company is currently in the midst of fulfilling a $1.6 million contract for such devices, with indication that additional orders are to come.

The company's vast backlog of experience in infrared technology has enabled the organization to make major contributions to the nation's defense complex through design, development and manufacture of devices utilizing this principle. Such instruments are used primarily for detection of radiation from planes, missiles or other objects.

### Atomic/Electronic Products

The company's atomic products include instruments which detect, count, amplify and analyze radiations from isotopes and other nuclear sources. Such units are used, singly or in combination, by companies, in research laboratories and in colleges and universities where work with isotopes, accelerators and reactors is in progress.

Products for atomic energy application range from the simplest detection device to a sophisticated medical ratio analyzer for continuous, accurate measurements of the ratio of radioisotope uptake and distribution in two organs or body regions. This analyzer enables study of the relative clinical behavior of two organs or body regions, which frequently provides more useful data than information on the absolute behavior of organs or body regions separately or together.

Baird-Atomic makes and sells some half-dozen major types of transistor test equipment used by engineering laboratories and production facilities in the semiconductor field. Test devices are used in design of transistor circuitry and in inspection and quality control.

### Research and Engineering

Focal point of Baird-Atomic activity in product and system design development, and application is the research and engineering division. In this department, nearly half the company's total staff of 550 work on projects relating to basic and applied science.

Much of Baird - Atomic's research and engineering work is done under prime or subcontract for the government. Programs utilize the company's unmatched collection of technical and production knowhow in such fields as optics, photophysics, mechanical and electrical engineering, mathematics and electronics. Bulk of the firm's contract work is in special military infrared systems; other areas concern the sensing of energy and presentation of pertinent reference data from all parts of the electromagnetic spectrum.

It is work in this area which has brought the company's backlog to an all-time high of $7 million. In a recent letter to stockholders, Walter S. Baird, Chairman, and Davis R. Dewey II, President, reported that . . . "while our commercial instrument lines show continued growth, the major part of this increase (in backlog) is for development and production of special systems and devices for government programs."

### Financial History

Baird-Atomic, Inc. is a corporate entity comprising Baird Associates (the name of the founding company), Atomic Instrument Co. (acquired in 1956) and four wholly-owned subsidiaries whose activities are concerned primarily with sales and marketing in the field.

It is interesting to note the company's steady increase in sales in relation to expansion of product line and markets over the years:

| —Sales— | Year |
|---|---|
| $ 10,126 | 1939 |
| 140,922 | 1944 |
| 955,424 | 1949 |
| 2,394,000 | 1954 |
| 8,000,000 (Estimated) | 1959 |

In the fiscal year ended Sept. 30, 1958, the company reported record sales of $6.7 million, with earnings after taxes of $125,900 or 53 cents a share on 235,294 shares then outstanding.

The company expects sales to top $8 million this year, with an expected increase of from 40 to 50% for the next fiscal year. Orders are currently coming in at the rate of $12 million a year.

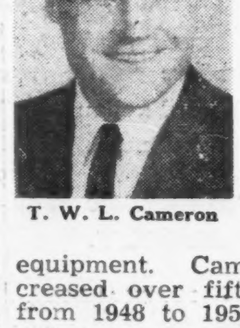
In July, stockholders approved a 2-for-1 stock split, an increase in number of shares and authorized an offering of 180,000 shares of Baird-Atomic stock. These actions brought the total shares outstanding to 714,190, and brings the number of stockholders to **over 2200.** As of this writing, Baird-Atomic is quoted at 9-9½ (after reaching a high in the mid-thirties prior to the split).

The outlook for Baird-Atomic, Inc. is obviously conditioned by the future prospects of the areas where the company's products and services are marketed. It is fairly certain, however, that these same areas of technology which today reflect the highest degree of growth potential will continue to provide the stimulus for America's engineering and industrial progress. It is equally certain that Baird-Atomic with prestige based on experience and accomplishments, will be in the forefront of suppliers to these fields.

**THOMAS W. L. CAMERON**
Hopper, Soliday & Co.
Philadelphia, Pa.
Members Philadelphia-Baltimore
Stock Exchange

**Camco, Inc.**

The right stock — at the right price—at the right time. I believe that Camco, Inc. fulfills these criteria and thus I recommend Camco as "The Security I Like Best" for capital appreciation.


T. W. L. Cameron

Camco is a dynamically growing technical company servicing the vast world wide oil industry. It is engaged primarily in the manufacture, sale, and service of gas lift equipment. Camco's sales increased over fifteen (15) times from 1948 to 1958 in a continu-

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# A Deferred Free Gold Market Means a Still Higher Price

By REID TAYLOR
*Mitchell, Hutchins & Co., Chicago, Ill.*

**The inevitability of a rise in the price of gold is ascribed by the author to fiat money instead of a free gold market and to ruinously expedient government policies. Mr. Taylor urges we not await the "inevitable crisis" but that we emulate John Sherman's post-civil war policy of instituting a free gold market as a prelude to resumption. Other cognatic subjects covered are: (1) paper dollar encourages and permits inflation; (2) injustice in not allowing gold to be sold to "anyone else even if they offer to pay . . . more"; (3) denial that a higher gold price can cause inflation when there's no redemption; (4) our gold price policy keeps a strategic metal away from us; and (5) no one can set an arbitrary price for this metal.**

The Bank for International Settlements has compiled a chart showing the price of gold in London since the year 1250 in shillings per fine ounce. To anyone who will take the time to weigh and consider, this chart reveals graphically and in a most startling manner the present position of our economy in a long term cycle and forecasts a much higher price for gold in the near future.* Oscar Wilde once said: "Nowadays people know the price of everything but the value of nothing." This chart portrays the constantly increasing VALUE of gold over seven centuries of war and peace in spite of constantly increasing production of that much sought after metal. The PRICE of gold in terms of man-made fiat money is quite another thing.


Reid Taylor

The PRICE of gold moves up and down as if traced by a stylus recording the characteristics of each particular period. When nature's laws are respected and frugality and morality are the order of the day there is only a normal demand for gold and its price is low and stable. When there is a general deterioration in such respects, gold being a refuge from the follies of men, is more persistently sought after and the price goes to the other extreme.

From 1250 to 1700 these price waves occurred quite regularly but always persistently toward higher levels, indicating the value of gold to be continually increasing over the longer term. An upward trend of value is easily determined by simply bisecting the tops and bottoms of the fluctuations.

Coming down to more recent years, from 1700 to 1931, for the first time in 700 years there was an extended period during which the price of gold was stabilized and it did not move up to the upward projection of this trend of value. How graphically this long period of stabilization portrays the old Victorian type of honor and frugality in government, integrity in business, morality and frugality in the individual, so characteristic of that age! During the early part of this period a goldsmith's word was good. A mere goldsmith's receipt for gold was honored everywhere as money. During the latter part of this period the Bank of England operated independently of the government. The Pound Sterling attained the highest degree of respectability all over the world and thus required a minimum of gold coverage.

Then came the destruction of World War I. England incurred more debts than she had the ability to pay off. With the help of the credit of the United States she maintained the precarious position of her pound at its pre-war relationship to gold for 12 long years. It took the credit and debt liquidation crisis of 1929 and 1930 to show her that her position was untenable, that the Pound Sterling was in effect already devalued and that she must admit the increased value of gold in terms of her money. This she finally did in 1931.

### Says Chart Shows Inevitability Clearly

This readjustment was inevitable because a debt that could not be paid must be written down. The chart brings this out in a most striking manner because of the ever widening gap between the upward projection of the trend line of value and the stable price which could not be maintained once strict adherence to frugality and honor in government gave way to expediency.

Likewise the chart indicates very clearly that this is only the initial stage of the takeoff of the gold price to higher levels, for in every previous instance of which there is record, the gold price continued on through this trend line of increasing value creating an area above equal to that below. To say that the price of gold is "just right" because it now has risen to this line of trend, as has been stated so confidently in the bulletin of one of our leading banks, reminds one of the fantastic dream of King Canute. It disregards the tides of price performance over many centuries as shown by the Chart.

It disregards Newton's Law that to every action there is an equal and opposite reaction. It disregards the present position of our economy in the long swing

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*A copy of the chart may be had from the writer.

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### CANADIAN INVESTMENT OPPORTUNITIES

Article starting on the cover page, "The Canadian Economy: 1959 a Milestone Year"; discusses the investment opportunities inherent in Canadian securities and, by way of documenting the views presented, includes a tabulation of the Canadian banks and companies which have paid consecutive cash dividends from 10 to 131 years (Table I, page 19) and from 5 to 10 years (Table II, page 27), along with other data of interest to investors.

### Articles and News — Page



### Regular Features



Published Twice Weekly
**The COMMERCIAL and FINANCIAL CHRONICLE**
Reg. U. S. Patent Office
**WILLIAM B. DANA COMPANY, Publishers**
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
**GEORGE J. MORRISSEY, Editor**
**WILLIAM DANA SEIBERT, President**
**CLAUDE SEIBERT, Vice-President**
Thursday, September 24, 1959

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.).

Other Offices: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).



Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

**Subscription Rates**

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year, in Dominion of Canada, $68.00 per year. Other Countries, $72.00 per year.

**Other Publications**

Bank and Quotation Record—Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

# A Better Future for Canadian—U. S. A. Trade and Other Policies

By DR. GEORGE W. WILSON*

*Assistant Professor of Transportation, Indiana University*
*Formerly, Economist, Canadian Board of Transport Commissions*

**Canadian economist now teaching here provides an informal, candid account of the rising crescendo of criticism directed at us by his countrymen. In detailing the bases of the criticisms, he advises that we try to understand the reasons for them, to be reasonable in our answers, and to maintain a discreet silence when ill-founded complaints are made. Some of the areas covered are: (1) our trade policy generally and specifically; (2) Canadian resistance to our cultural inroads; (3) alleged political interferences; (4) denial of opportunity for equity ownership participation and in hiring key personnel; (5) purchasing policy of materials used in joint defense; (6) our ignorance of Canada, (7) thwarting Canadian-foreign policy.**

Trade relations among nations reflect or are simply one aspect of the "over-all" relation involving social, cultural and political relations besides the economic. The general vision which one country has of the other will condition respective trade policy. Indeed, in perhaps no other area of economic significance, has the political, social and cultural impact been so great as in international trade. Despite the proofs advanced by Ricardo and J. S. Mill of the universal benefits to be dervied from free trade few countries at any time have paid much more than lip service to it. At the present time, though strong sentiment exists in favor of free trade, it will probably not occur except within relatively restricted areas, for the large power blocs intend to use and are using the realm of international trade as a political instrument in the cold war and protectionist pleas remain rather strident. Many examples could be cited but the crucial point is that trade relations cannot be understood in isolation from other types of relation. Thus to understand U. S.-Canadian trade relations we must first examine the vision which Canada has of the U. S. and vice versa.

Dr. G. W. Wilson

### A Canadian Views the U. S.

I do not purport to speak for all Canadians nor even to give the typical view of the "average Canadian" for, indeed, no such animal exists. Yet, having been born and reared in Western Canada, formally educated in Eastern Canada and having taught in a Canadian University and worked in Canada's Civil Service (despite having lived about half of my adult life in the U. S.) I can give you the impressions of the U. S. which seem somewhat predominant among Canadians.

First, somewhat reluctantly, I must report encountering considerable open criticism of the U. S. by Canadians when I visited Ottawa two months ago. There were specific reasons for the growing volume of criticism concentrated in June which we might as well get out of the way before getting to more fundamental points.

First, the visit of the Queen usually rekindles the warmth for Britain, the Empire, etc., for many people which often takes the form of sneers at certain "former colonies." Then, too, the opening of the St. Lawrence Seaway not only was overly sold as too much syrupy "togetherness," which caused a reaction, but also reminded Canadians of 50 years of U. S. "heel-dragging" and Congressional submission to powerful lobbies despite the importance of the project to both our nations but especially Canada.

At the same time the oil, lead and zinc import quotas were still rankling; water diversion into the Chicago sewage system from the Great Lakes was being protested by our Prime Minister. But the most sensational event was a leading Canadian TV personality remarking on a nationwide U. S. TV program that most Canadians were "indifferent to the Queen's visit." This raised the British hackles and the TV entertainer was forced to "take a holiday" from Canadian TV. Though not directly involved (and though her statement was generally true) this caused a large amount of anti-U. S. feeling. "Imagine telling the Yankees a thing like that" etc., etc. Innocent remarks often cause strange reactions and innocent third parties frequently bear the brunt.

The upshot of these events against a background of more fundamental grievances and attitudes caused, I think, a certain amount of pent up anti-U. S. sentiment to become more vocal. These specific events will cause no serious breach in the generally good U. S.-Canadian relationship but they are indicative of a rising crescendo of open and vigorous criticism of the U. S. I suspect that in the future there will be more of this sort of thing and the U. S. might as well get used to it, understand the reasons for it, and try to be reasonable in answering legitimate Canadian grievances and maintain a discrete silence when ill-founded or carping complaints are made. You may hear things from your "best neighbor" that you would not expect from your worst enemy.

Let me now attempt to lay bare the key areas of friction.

### Key Sources of Friction

(1) Size differentials. It is not easy living beside a neighbor who can do most material things "bigger and better than you." This is not only a typical U. S. boast, which rankles in itself, but it is even more annoying because generally it is true. Thus, some of Canada's substantial achievements either do not stand up in comparison with U. S. or require U. S. assistance to complete. We have 17 million people; you have 170. Our GNP is about $32 billion; yours was $441 billion in 1958.

This is basically a function of size and to a lesser extent basic temperament. The U. S. is a big, brash, bustling neighbor; Canada is small, self-conscious and rather calmer or perhaps "duller." We have no national hero, no Civil War, not even any Robber Barons. These differences create in Canada somewhat of an inferiority complex, and it is only normal to enjoy criticizing the foibles of the more successful. This certainly accounts for some of the inevitable complaints.

But Canada is fast growing up. We are now by dint of prodigious effort well beyond the stage of "hewers of wood and drawers of water." We are an industrial power whose future would appear to surpass even that of the U. S. One of our most famous Prime Ministers, Sir Wilfred Laurier, announced that the "20th Century belongs to Canada." Perhaps he should have said that Canada belongs to the 20th Century. However, Laurier's prediction is in many respects being fulfilled. We also have more murders, rapes and arsons, more highway fatalities, more neurotics and all the other trappings of modern civilization, than in the past.

But with rapid growth goes growing pains and as infant or backward nations grow they become critical of their more proximate economic superiors; they become cockier, more boastful, more nationalistic, etc. Canada is thus "feeling her oats" in the wake of unprecedented economic growth which is destined to continue.

It should be noted here that Canada has paid a high price to create a separate nation and maintain a distinct identity. It was (and is) the height of economic illogic to split North America east-west. If North America had to be split at all, economic wisdom would dictate a north-south division. But this simply proves that economic choice is not the only one. However, the result of the economic mistake is to impose a serious penalty to national unity and identity. Rail lines have to be built over vast reaches of wilderness and forced to take often devious paths to avoid the artificial border. Canada does not yet have a high-grade transcontinental highway. Trans-Canada Airlines had to be created by governmental policy. Few rivers flow east and west—thus real transportation costs are very high and various segments of the economy receive subsidized freight rates to permit inter-regional exchange. Some uneconomic protection to domestic industry has proven essential since we cannot exploit the economies of the mass market.

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*An address by Dr. Wilson before the School of Banking at the University of Wisconsin.



# The State of Trade and Industry

*STEEL PRODUCTION*
*ELECTRIC OUTPUT,*
*CARLOADINGS*
*RETAIL TRADE*
*FOOD PRICE INDEX*
*AUTO PRODUCTION*
*BUSINESS FAILURES*
*COMMODITY PRICE INDEX*

The national summary of business and financial conditions which appeared in the September issue of the Federal Reserve bulletin is both timely and significant, as per the following extractions:

"Industrial output and employment levels declined further in August and early September as the impact of work stoppages in basic metal industries spread. Consumer and business demands were generally maintained at advanced levels and prices of some basic materials increased. Commercial bank loans continued to expand rapidly. Bond yields rose and common stock prices declined.

"**Production:** Industrial production declined 3% in August to 149% of the 1947-49 average, as compared with 153 in July and a peak of 155 in June. Despite a marked curtailment in industrial use of electricity in August, unusually hot weather resulted in a slight increase in total utility output to 276% of 1947-49.

"The August declines in industrial production were centered in primary metal manufacturing and mining industries as the steel strike, which began on July 15, continued and additional stoppages developed in nonferrous metal industries. Steel ingot production was at 12% of capacity, as compared with 42 in July and 90 in June, and this rate continued during the first half of September. Some industries fabricating metal products began to curtail activity in August.

"In the auto industry, assemblies were down 16% from the advanced rate reached in July when dealers' stocks reached a record level. New model changeovers reduced assemblies further in early September before an upturn developed. Output of most other consumer goods, including apparel and household products, has been maintained at the new record levels reached by midyear. Production of paper, textiles, and other nondurable materials and of most construction materials has also been at or above midyear levels.

"**Construction:** The seasonally adjusted total value of new construction put in place in August was maintained close to the revised peak annual rate of about $56 billion reached last Spring. Some further decline in residential construction and a small decrease in commercial building in August were not fully offset by further gains in highway and industrial building activity.

"**Labor Market:** Seasonally adjusted employment in nonfarm establishments decreased about one-half million to 52 million in mid-August, as a result of strike influences, offset partly by increases in employment in construction, trade, finance, and State and local government. Earnings of factory workers, reflecting work stoppages in higher paid manufacturing industries, declined somewhat. Unemployment decreased about 320,000 to 3.4 million. This was less than the usual seasonal amount and the seasonally adjusted unemployment rate rose to 5.5% from 5.1 in July.

"**Distribution:** Retail sales in August remained near the advanced level of the previous three months and were 7% larger than a year ago. Sales at furniture and food stores were somewhat higher. Dealers' deliveries of new autos reached the highest August rate since 1955 and stocks dropped sharply. Trade in most other lines declined moderately.

"**Agriculture:** Crop prospects improved further during August to an indicated volume of 117% of the 1947-49 average, only one point below last year's record harvest. Output of livestock and products has increased further this year, and total agricultural production is estimated at a new high.

"**Commodity Prices:** Prices of basic materials, which were relatively stable during the first month of the steel strike, began to rise again after early August. Prices of livestock and other foodstuffs remained at earlier reduced levels reflecting mainly continuing large supplies. Consumer prices generally rose further by .3%, from June to July and the total index was .8% above a year earlier, although retail food prices were 2% lower.

"**Bank Credit and Reserves:** Total commercial bank credit changed little in August. Loans continued to expand rapidly, while holdings of U. S. Government securities were reduced. The seasonally adjusted money supply declined about $1.5 billion following a rise of around the same amount in July. At the end of August the money supply was about 3% larger than a year ago.

"Member bank borrowings from the Federal Reserve averaged $975 million and excess reserves $485 million over the four weeks ending September 9. Further gold outflows and an increase in currency in circulation absorbed reserves over the period while reserves were supplied by Federal Reserve purchases of U. S. Government securities. Required reserves declined somewhat.

"**Security Markets:** From mid-August to mid-September yields on Government securities in all maturities rose sharply to new post-World War II highs. Market yields on 3-month Treasury bills rose above 4% and yields on long Treasury bonds averaged 4¼. In mid-September discount rates at Federal Reserve Banks were raised one-half percentage point to 4%. Yields on corporate and State and local government bonds, after declining in early August, increased sharply. Common stock prices advanced in late August, and then declined in the first half of September to the lowest level since mid-June."

### Nationwide Bank Clearings 8.5% Above 1958 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle," based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 19, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 8.5% above those for the corresponding week last year. Our preliminary totals stand at $27,411,274,879

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# Observations . . .

*BY A. WILFRED MAY*

## THE SOFTENED-SELL AT THE U. N.

*UNITED NATIONS, N. Y.*—In the good old days of Stalin, the Dictator's intransigence was faithfully transmitted here by Messrs. Molotov, Vishinsky, Gromyko et al. Sitting at locales ranging from Hunter College's converted gymnasium to Flushing to the present quarters on the banks of the City's East River, the Security Council was treated to these gentlemen's unceasing hurling of vitriolic epithets ("those American cowboys"—from Gromyko). Personally annoying as these tactics were, the outbursts seemed strategically erroneous in unwittingly easing the Western Powers' task of demonstrating the Soviets' true colors.

A. Wilfred May

### Good Manners Confined to U. N.

Now, the replacement of Stalinism's crude inflexibility by Khrushchevism's confusing double-talk along with a show of reasonableness is, unfortunately, proving our strategy judgment dead right. Free China constituted the Premier's sole butt in his long address here ("it is high time that the United Nations, too, act the way all nations deal with a corpse; that is, carry it out"). Otherwise forsaking the horseplay and badinage that he has been reserving for all "whistle stops" ("you labor unionists are only capitalist lackeys") his more dignified and subtle soft-sell of his causes before this world-covering forum made extremely effective propaganda. On the road, Ambassador Menshikov is in charge of smiling.

Particularly difficult to debunk publicly is the voluminous Soviet Declaration which they distributed here, elaborating their proposals on the disarmament question. Depicting the horrors of nuclear war, it concludes by calling on the Great Powers, "which bear special responsibility before the nations for universal security, to proceed jointly and without delay to the implementation of general and complete disarmament." How disabuse the small nations, who are offered the bait of promised savings from curtailed armament spending, of his thesis that it is the Communists who want peace, with the Western Powers out to prolong the Cold War?

### Debunking the Fictions

The real answer, of course, centers on Chairman Khrushchev's omission of a concrete suggestion for, and his constant unwillingness to agree to any effective procedure for controls within the Soviet borders.

This real impasse is understood by a relative handful of the knowledgeable. Particularly difficult is it to disillusion the appeasement-tempted in this and other countries (who will be blown to pieces in the absence of such understanding). Solely effective would be a clear and thorough explanation by President Eisenhower himself, after the Camp David talks. Insufficient are the President's haphazard statements at his press conferences, as well as unofficial statements—even the very excellent document issued Monday by Walter Reuther and the group of AFL-CIO leaders who met with the Premier in San Francisco.

### Pleading for Trade

Likewise in his pleading for increased trade—in his article in behalf of co-existence in the quarterly *Foreign Affairs*, in his series of articles in the *Philadelphia Inquirer*, as well as here in his United Nations appearance — has he re-voiced the platitudes to which a response is so difficult.

He put it thus before the General Assembly: "How ridiculous the various artificial obstacles to the development of full-blooded all-round international trade are in our time! The entire system of discrimination in trade has long been begging to be interred, and without any honors."

Of course, the obstacles to trade with the Soviets are genuine, varied, and mainly of their own doing. They want strategic goods — while their henchmen are pressing Laos and murdering Tibetans. They want to sell us goods that we are already getting satisfactorily elsewhere. There are a host of difficulties in trying to do business with a state-controlled economy, including the "turn-it-on-and-off" technique, and *dumping* for international political ends. And our extension of credits, whether governmental or private, is unthinkable.

But, as in the disarmament debate, improved technique of explanation to the citizenry of other countries as well as our own, is an absolute *must!*

# The Values in Insurance Stocks

By SHELBY CULLOM DAVIS*

*Managing Partner, Shelby Cullum Davis & Co., New York City*

**Stock insurance specialist compares two categories of fire and casualty stocks with the "bluest of the blue chips" in terms of investment income, dividends paid, growth performance and fundamental value and concludes they enable one "to have his cake and eat it too." Mr. Davis characterizes insurance stocks as the preferable common denominator or hedge, better than bonds or mortgages and many stocks—though not as good as some stocks one is fortunate enough to buy. He notes that they are abetted by today's rising interest rates; believes underwriting problems have been overemphasized at the expense of steady rise in investment income; and opines that the next 10 years could provide greater investment opportunities than the last decade.**

This is an Age of Research, everyone says. It is also the Time of the Cold War. Probably the two are inter-related. It is also an Era of High Interest Rates. This is probably related too. Why amid these three giant theses should any one be interested in insurance stocks? Does the insurance business flourish under these conditions?

Shelby Cullom Davis

Research, Cold War, High Interest Rates—only the third would seem to be directly helpful to insurance companies. Insurance companies (fire and casualty, to which we address ourselves) are large investors of funds. As financial institutions they benefit by high interest rates. Since they are in the main short and intermediate term bond investors, they benefit increasingly as their bonds mature and the proceeds are reinvested more profitably. The benefit varies from company to company, depending upon the size of the bond portfolio; but in most fire and casualty companies, the bond portfolio represents more than 50% of assets and in some cases as high as 75-80%.

Are Research and the Cold War beneficial to property insurance companies? Not directly, it is true. But as Research uncovers new products which come into the hands of the public, they should also be insured. And Research, in discovering newer and cheaper methods of production, can help to keep inflation at bay—and that helps insurance companies. Nor does the Cold War brighten the insurance outlook. But it does, sad to say, induce a prosperity which in turn brings more goods to more people which must also be insured. The capital goods industries depending upon war orders also require insurance.

### Insurance Is a Common Denominator

What we are getting at is that insurance is a common denominator, it is all-pervasive. It rises with general prosperity and falls with depression. It is a method of investing in the general welfare without determining whether autos or TVs or outboard motors will receive the first call of consumer dollars. Insurance is the basis of all credit, absolutely fundamental in the economic life of the community.

Insurance hence is a vital business. Is it a growing one? Not as much as rockets, it is true, nor missiles. But who can foretell when these may be supplanted? Cavalry was supplanted, battleships supplanted, canals and many railroads—but insurance has never been supplanted. This lack of obsolescence is a prime investment characteristic which counters its slower growth compared with the Age of Research's more sensational products.

It is well known that insurance companies are monied institutions and pay their dividends out of investment income alone, the interest received from bondholdings and dividends from stockholdings. Since the investor is ultimately, if not immediately, interested in dividend returns, let us examine the growth factors in investment income and dividends of property insurance companies. Let us take the last 10 years 1948-58 when there has not been much general inflation.

A decade ago an investor had his choice of investing in long-term government bonds yielding 2½%, short-term government bonds yielding 1%, medium-term tax exempt bonds yielding about 1½% and industrial common stocks yielding about 7%. Those were the days, you may recall, when "no major war has ever ended without a drastic postwar depression," when "long-term government bonds yielding 2½% will never be permitted to sell below par," when "the labor unions are causing a profitless prosperity," when many other dire things were going to happen. But as so often happens about the future, except one's own ultimate personal future, the fears are worse than the realization. Is it because caution and wisdom are believed synonymous whereas in truth they are only partially so? At any rate the picture has now completely changed. We have long- and short-term government bonds yielding more than 4%, tax exempts ditto, while common stock yields have retreated (because of the approximate quadrupling of their prices) to about 3%. How many investors correctly anticipated this course of events?

Any investor making such a prediction in the Autumn of 1949, we daresay, would have been judged a visionary and an incompetent and probably both. If he was sensible and valued his job, he kept his own counsel—and of course invested in insurance stocks. They at least served as a "hedge," better than any ordinary bond he could have bought, better than many stocks he could have bought but not as good as some stocks which he might have been fortunate enough to buy. That is the past decade. And, we predict, the moving finger of history will write the same, if not more so, for the next 10 years:

Insurance stocks will be:

(1) Better than any ordinary bond which can be purchased today;

(2) Better than most stocks which can be purchased in today's high markets;

(3) Not as good as some stocks which tireless research and courage and luck can discover in the dynamic fields of industrial growth.

So fire and casualty insurance stocks represent a "hedge" position for the decade ahead. Meanwhile their risk is certainly less than most common stocks, many of which have discounted a future "into the pale blue yonder," and bonds also if interest rates continue to rise and cause bond prices to fall.

Hedges, we admit, are not always the most attractive of investments. Who would not prefer to "hit it on the nose?" Hedges are a little bit like the girl next door whom we never married. We knew her too well, her strong points, her weak points — there were no surprises. And yet in a period when monumental investments surprises can and do happen here, what is wrong with "playing it safe," at least with a portion of funds? Remember, the girl next door never looked better than after the blonde left town on the express to Boston! Or, changing the simile, insurance stocks are like old shoes: they wear well—and if they don't give maximum pleasure, they also do not wreak heroic pain.

### Compares Decade's Experience

Let us now look at some specific examples of the monied aspects of property insurance stocks, their growing investment income and dividends paid to stockholders. What has been the experience during the past decade?

Let us take the five "blue chips" of the fire and casualty business, from East to West: Hartford Fire (Hartford), Federal Insurance (New York), Insurance Co. of North America (Philadelphia), Continental Casualty (Chicago) and St. Paul Fire & Marine (St. Paul). All five have had superior records of underwriting and growth. During the past 10 years their average investment income rose 224% and their dividends to stockholders 154%. That is surely a record of growth which

*Continued on page 37*

*An address by Mr. Davis before the Annual Convention of the New Hampshire Savings Banks Association, Sugar Hill, N. H., Sept. 18, 1959.

# Selection Factors to Consider In Drug Industry Investing

By JOHN F. VAN DEVENTER*

*Vice-President, Chemical Fund, Inc., New York City*

**Using experience in investing in the drug industry, Mr. Van Deventer sketches the rewards attainable from holding the right securities at the right time. The investment officer first, however, reviews eight factors which he believes should govern selection, and then applies them to specific cases drawn from the drug portion of his fund's portfolio.**

The drug industry is comparatively young, dynamic, and increasingly well-known to the public through the wonders wrought by its products. In relation to other industries it is relatively small. Today, as we are constantly reminded, there are many who will say the industry is overtouted, overpriced stockwise, and not overly attractive as a means of investment. The familiar reasons are competition—domestic and foreign, narrowing profit margins, increasing government interference, the large sums required for research, and price weakness as in bulk antibiotics, vitamins and steroids. I cannot wholly disagree with these views, but I believe they should be qualified, tempered, and examined specifically for the degree and extent of their bearing on a particular company.

John F. Van Deventer

### Factors in Company Measurement

Basically, in drug investing there are eight factors which, I believe, provide a good measure of a company. These include: management, financial status, growth record, quality of product line, marketing abilty, standing with the medical profession, research, and character of foreign operations. Upon the accuracy of our evaluation of these factors will depend the success of our investment. Several of the most important of these factors cannot be precisely determined. The question of a drug investment, therefore, cannot be resolved simply by use of statistics such as price earnings ratios. While this applies to many industries, it is particularly true of the drug industry.

To put it another way, a drug company might be thought of as resembling an iceberg. The visible part shows a little "above-the-surface" and is measurable, but the unseen part is well "below-the-surface" and requires additional information before its extensiveness can be appraised.

Many are familiar with most of the "above-the-surface" factors such as financial status, growth record, marketing abilty, and standing with the medical profession to warrant spending time in discussion at this time. I should like, however, to discuss some of the less obvious aspects—some of the "blow-the-surface" factors: i.e., management, quality of product line, research, and character of foreign operations.

*An address by Mr. Van Deventer before the New York Society of Security Analysts, Sept. 15, 1959.

### Subtle Quality of Management

Repeated exposure to various levels of management is of paramount importance in developing a "feel" for a drug company. This extends considerably beyond simply knowing the names of key officers. Personalities, enthusiasm engendered through an organization, and coordination of effort are all subtle details which combine to sharpen and round out a coordinated picture of a management's effectiveness and drive. Investmentwise, this information is valuable in selection of one stock as opposed to another and in determining the relative size of investments in various companies. Knowledge of a management's objectives and intent is important in bringing other factors such as research into focus. For example, in recent years aggressively pursued management objectives have resulted in significant developments for Merck.

Product lines, when related to overall industry trends, indicate both immediate and longer range potentials for a company. A company's line takes many years to develop. It may consist of routine low profit items or distinctive high profit items. It is not easily changed except by unusual developments from research or merger. Strenuous efforts are required to maintain a line in growing profitable areas. Obsolescence is a constant threat to established lines. Even unique, highly profitable patented products are not exempt. Heavy concentration of a line in a single field must be watched. Smith, Kline & French has done a good job in maintaining its profitable line of specialties.

Research is, by far, the most difficult of the imponderables involved in evaluation of a drug stock. Competition and the speculative nature of new products, which must be proved after long testing periods, normally cause companies to blanket out information on this vital area. A number of clues, however, are available. know-how, disciplines and skills of a research staff in given fields take years to develop. Experienced staffs under sympathetic managements maximize new product possibilities. Knowledge of these details combined with data on budgets, facilities, personnel and the record of research in generating new products affords a good measure of the scope, importance and strength of a research organization. One of the most productive avenues to investing in drugs, in my opinion, is to seek out well-managed companies with the greatest research exposure to fields conceded to possess potentialities for greatest growth. In the difficult steroid research field, for example, several companies have programs, including Searle, Schering and Upjohn, to name a few, while many companies are engaged in virus, including Lilly and Lederle.

### Foreign Operations' Potentialities

Foreign operations have and will offer increasing potentialities for drug companies. Lower operating costs and taxes make this business highly profitable. The need for drugs in foreign areas with burgeoning populations and high incidence of insidious diseases is great. The use of drugs will increase as standards of living rise and more and more common markets develop. In spite of foreign competition, many American drug companies are well entrenched world-wide. As in the case of research, those companies which have developed foreign organizations experienced in dealing with the complexities inherent in this business will benefit most. Additional benefits may also be obtained from foreign research. Such companies can be expected both to increase their foreign business and to avoid the costly pitfalls of newcomers. While the quality of foreign earnings varies from country to country, risks can be minimized to an important extent by the diversity of markets served. Even though these earnings are not valued as highly as domestic, they are, nevertheless, important and a definite plus in an evaluation of a stock. Parke, Davis and Pfizer are examples of companies with important foreign business.

With this discussion of some of the less obvious factors, it might be helpful to spend a moment on their application in a specific case. For the sake of convenience, I have drawn on readily available figures from Chemical Fund with which I am familiar.

### Turns to His Fund

Chemical Fund's drug investments on June 30 last aggregated \$54.0 million or 22% of total fund assets. This compared with \$47.0 million or 24% at the end of 1958 and an average of 18% over the past ten years.

The 16 drug companies in the Chemical Fund portfolio on June 30 last afforded a broad coverage of the industry. Sales of these companies' products probably accounted for a major portion of total ethical and proprietary volume for the industry. Their product lines covered virtually every phase of the industry. Foreign business represented some 23% of their over-all volume. Their combined research expenditures probably accounted for better than 60% of the industry's total for 1958. Their average return on invested capital was 20%. Their net income average 12% of net sales.

Considerable differences exist in the relative size of investments in various stocks, which on June 30 last ranged from .5% to 4.2% of net assets. Generally investment policy emphasizes situations with greatest immediate and longer term promise, as indicated by our evaluation of the factors discussed above. Consideration, of course, has to be given to a company's size and to the availability and marketability of its shares. The capitalization of most drug companies is usually small as compared with other industries. The total outstanding common stock for the 16 companies of 83.0 million shares is barely more than the combined outstanding shares of the two largest chemical companies and only 38% of the outstanding shares of the largest oil company. Stocks of many companies also are closely held, further limiting their availability.

### Drug As Top Performer

The drug group ranks as a top performer for Chemical Fund. Nearly one-third of the unrealized appreciation of \$114.0 million on June 30 last was accounted for by drugs. Half of the drug group at that time was in the top quadrant and all but two of the 16 drug stocks were in the upper half of portfolio stocks showing the greatest appreciation. The length of time a stock was held, of course, had a bearing on appreciation, and three-quarters of the stocks in the upper quadrant had been held for seven years or longer. For your information, these included Smith, Kline & French; Norwich; Schering; Merck; Pfizer; and Warner-Lambert. Two others in the top quadrant, American Home Products and Carter, had been held three years or less.

Currently the price earnings ratio for the 16 companies averages 23 times estimated 1959 earnings. Applying these same earnings estimates to original cost, the average price earnings ratio, however, is nine times.

Yield of the group currently is 2.3%, but if current dividends are applied to original cost, the average yield is 7.2%.

### Outstanding Single Performer

Earlier I mentioned the satisfactory profits which can be obtained from a drug investment. In closing I should like to tell you of the outstanding performer for Chemical Fund. This stock, Smith, Kine & French, had been represented in the portfolio for 11 years. The original investment was acquired when very little of the stock was publicly held. The appreciation on June 30 last was some 1400%. Each original share is equal to eight existing shares. Dividends have been successively increased in each year with one exception. The price earnings ratio of this stock, applying estimated 1959 earnings to original cost, is 2.5 times as compared with a current price earnings ratio of 33 times. The yield, applying the current dividend to original cost, is 27% compared with the present yield 2.1%.



## Customers' Brokers Elect New Officers

The Association of Customers' Brokers has elected Gerald L. Wilstead of Hallgarten & Co. as President for the 1959-60 year. Mr. Wilstead succeeds Alan C. Poole of Hemphill, Noyes & Co., who was named for a two-year term on the Executive Committee. Other officers chosen are Albert P. Gross, Bear, Stearns & Co., Vice-President; Leo J. Larkin, Carl M. Loeb, Rhoades & Co., Secretary, and Frank Dunne, Jr., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Treasurer.

Frank Dunne, Jr.

Leo J. Larkin

Albert P. Gross

Gerald Wilstead

Also elected to the Executive Committee were Edward A. Horn, Kuhn, Loeb & Co.; Maurece Schiller, Newburger, Loeb & Co.; Michael Kourday, Hayden, Stone & Co.; John C. Howatt, Harris, Upham & Co.; Hanns E. Kuehner, Laird, Bissell & Meeds; Irving J. Silverherz, Hay, Fales & Co.; and A. Van Camerick, Shearson, Hammill & Co.

## Form Binder & Co.

LOS ANGELES, Calif.—Binder & Co., Inc., is engaging in a securities business from offices at 8400 Sunset Boulevard. Aaron Binder is a principal of the firm.

## McDaniel Lewis Adds

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C.—Earl H. Lanning Jr. has joined the staff of McDaniel Lewis & Co., Jefferson Building.

## With Wm. E. Pollock

MIAMI, Fla.—Donald J. Hall is now associated with Wm. E. Pollock & Co., Inc., 100 Biscayne Boulevard, South.

# Electronic Guidance

By DR. IRA U. COBLEIGH

*Enterprise Economist*

**Containing random reflections on the substantial decline in electronic shares; and some views as to the relative attractiveness of certain issues that have descended into a market area better correlated to statistical realities.**

The fluctuating fashions of finance frequently leave investors out on a limb. In the radioactive exuberance of 1954/5 over 400 uranium issues were publicly offered and there were fantastic upsurges in price in some instances. Where are these 400 companies today? Most of them out of business, and the others wondering what they're going to do after 1963 when delivery contracts run out.

Ira U. Cobleigh

Last year, and until around June of this, all you needed was a coil of copper wire, a pair of pliers and a M.I.T. grad and you had the makin's of an electronic company. Get a few thousand square feet of plant space on Route 128 outside Boston, in Southern California or Northern New Jersey and an underwriter and you were in business. Capacitors, transistors, circuits, relays, tubes and grids, etc. — all these baubles of the electronic age were in ready demand. Make some good ones and research some improvements and people dubbed your shares, "growth stocks."

Now, of course, the foregoing is a bit over done. Our defense program, especially the rockets and missiles, does require, to the extent of some 60%, electronic elements; and these had to be researched, developed and produced and in a hurry, if we were to stay even with the Muscovite moonshooters. So many eager companies came into being, shepherded quite often, by engineers and scientists who had received their earlier training and experience in some of the big companies. More than 50 electronic stocks were publicly offered this year. The majority of these were the equities of small early-stage enterprises with meager or non-existent earnings but shining future projections. Immediate market premiums of 30% to 50% above subscription price were not uncommon. For example, **Loral Electronics Corp.** common was publicly offered on May 7 at $12 per share. It traded at $22½ per share on the day of issue. (It sells at 17 now.)

Perhaps we've dwelt too long on the newer electronic companies. If so, it's only because these have been the most fashionable and successful underwritings of 1959, even though today they being far more soberly appraised than at the height of their vogue last July. But so, for that matter, are the shares of the big nationally known companies. **Zenith** at 92¾ is down 43 points from its 1959 high; **Motorola** is down 30; **Texas Instruments** down 35; **Raytheon** down 27; and **Fairchild Camera** down 55.

Taking note of all this volatility how should we view the electronic list today? Should we conclude that the hospitality exchanges of President Eisenhower and Khrushchev are a prelude to disarmament, and that electronics, as defense stocks, are in downtrend? Or should we conclude that electronic issues are just as vital as ever but have now descended to a valuation level more consonant with statistical reality? We buy the second viewpoint. Anyone who demonstrates such bristling bellicosity as does Nikita, will never get the Nobel Peace Prize. Reduction in our defense spending is as logical as a diabetic giving up insulin! Electronic companies are going to have plenty of military business. Our questions relate to how much money they're going to earn, and what multiples of per share net should be used for sensible appraisal of equity prices.

A very highly regarded enterprise is **Foxboro Co.**, manufacturer of mechanical and electronic control instruments for many major industries — textile, food processing, paper, petroleum and chemical. A bear-cat on research Foxboro is way out front in automation. Foxboro common should earn $3.30 a share this year and quite a bit more by 1962. At 72 Foxboro sells around 22 times indicated earnings. That's a quite conservative appraisal for an electronic share of this quality and promise.

**Electronic Associates**, for 1959, should earn around $1.75 a share. On this basis the stock at 33 (over - the - counter) is selling around 19 times earnings. This ratio is a lot more sensible than 30 times.

**Epsco, Inc.** is another interesting company. In 1954 it developed the first high speed analog-to-digital converter, a basic ingredient in all high speed instrumentation data reduction systems. It has now expanded into six major company divisions producing systems, instruments and equipment, medical and industrial electronic equipment and monitor systems. Sales are expanding and should substantially exceed $10 million in annual sales in 1960. Transition from an R & D to a production company should increase profit margins. First half profits for 1959 were 42c a share. Last half figures should be considerably higher. Epsco Inc. common has sold as high as 51. At 30 it appears to be an animate stock with an attractive horizon.

A much smaller company but growing at a rapid pace is **Analogue Controls, Inc.**, the only American electronic company whose shares are listed on the Toronto Exchange. Analogue was incorporated in 1954 and has specialized in development and manufacture of precision potentiometers and other electro mechanical components. Potentiometers are as essential to the guidance systems of missiles as the steering column to a car; so demand stemming from our rocket and missile program should favor Analogue's business. In addition, Analogue has done pioneer research in gas bearings, which replace conventional ones where very high speeds and temperatures are encountered (as in guided missiles and supersonic aircraft). Analogue is now installed in a new plant at Hicksville, L. I. 1959 sales should exceed $1¼ million. Analogue common, now around 6, is an interesting early stage entry into an exciting business.

**Ampex Corporation** has been a brilliant performer in a number of rapidly growing electronic fields. Ampex is a leading manufacturer of telemetric equipment, magnetic tape recording and playback equipment, broadcasting and receiving equipment for radio and television, computers and data storage systems and video tape. At the fiscal year-end (4/31/59) sales were $44 million—up fivefold in five years. Ampex common at 75 (listed N.Y.S.E.) still seems to have plenty of growth left in it.

**Texas Instruments**, one of the market leaders of the year should earn twice as much in 1959 as last year. Decide for yourself whether Texas Instruments common, expected to earn $3.60, is cheap, dear, or so-so at 124.

In consumer electronics perhaps now is a good time to take a look at **Philco**. This company went great guns in the early 50s when television sets couldn't be turned out fast enough. Came the overcapacity and falling demand, and Philco cooled off for a while. Now there's a newer and younger management echelon, peppier selling and an excellent research staff. About 70% of business is in consumer products (TVs, radios, phonographs, appliances and parts); the balance is principally government business centering around space systems and advanced weapons. For 1958 Philco sales totalled $350 million. This year the figure should be above $400 million and the common should earn around $2. Common at 22 sells at 11 times such earnings. There's also a 4¼% convertible bond you might want to look at. It's convertible into common at $33⅓ a share until 1969. The bond sells at 89 and, at this price, has an attractive look about it.

Then there are the blue chips so well known and elegant that it is needless to dilate upon them here. **IBM** for the latest in electronic business machines, punch card records and office automation; **Minneapolis-Honeywell** leader in atomic and electronic controls, and, with its Datamatic division, a major factor in electronic computers.

The outlook for electronics, despite recent market setbacks, continues favorable. We see no danger of a cut-back in the defense budget, and we see broad new demands for home and portable television sets (in due course in color) hi-fi and stereophonic equipment, and the myriad of electronic gadgets that keep books, make statements, file, reproduce, enter and sort business and accounting records, and automate everything from a flashlight to the TVA generating system. The major threat to the industry is stiffer competition from Japanese and European production.

## Two With Ball, Burge

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio — Malcolm T. Bard and Irma M. Hafenbrak have joined the staff of Ball, Burge & Kraus, Union Commerce Building, member of the New York and Midwest Stock Exchanges.

## Now With Boettcher

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Richard A. Hackstaff has become connected with Boettcher and Company, 828 17th Street, members of the New York Stock Exchange. Mr. Hackstaff was formerly with Stone, Moore and Amos C. Sudler & Co.

## With Clayton Secs.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Maine — Clifford W. Finnimore has become connected with Clayton Securities Corp., 443 Congress Street. He was formerly with Walter J. Hood Co., Inc.

## Now With Estabrook

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John D. Ames, Jr. has become connected with Estabrook & Co., 15 State Street, members of the New York and Boston Stock Exchanges. He was formerly with Goldman, Sachs & Co., and Hemphill, Noyes & Co.

## Mrs. O'Connor with Cruttenden Podesta

CHICAGO, Ill. — Virginia L. O'Connor has joined Cruttenden, Podesta & Co., 209 South La Salle Street, members of the New York and Chicago Stock Exchanges, and will be in the municipal department in charge of institutional sales, Robert A. Podesta, managing partner, has announced.

Virginia L. O'Connor

Mrs. O'Connor was formerly municipal department manager in the Chicago office of Wood, Gundy & Co. She previously had served seven years with Chicago banks.

## First Fidelity Adds

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga. — Clinton D. McCord, Sr. has been added to the staff of First Fidelity Securities Corporation, 11 Pryor Street, S. W. He was previously with the Bank of Quitman.

## Bache Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Ronald Woodbury has been added to the staff of Bache & Co., 140 South Dearborn Street.

## Hemphill, Noyes Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—John C. Krass has become connected with Hemphill, Noyes & Co., 231 South La Salle Street.

# Dealer-Broker Investment Recommendations and Literature

*IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:*

**Bank Stocks** — Quarterly review of major banks — M. A. Schapiro & Co., Inc., 1 Wall Street, New York 5, N. Y.

**Borden Report**—(Made by Royal Commission on Energy) on Canadian Oil—Review—Bank of Montreal, Montreal, Que., Canada.

**Burnham View** — Monthly Investment Letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current **Foreign Letter.**

**Electronics**—A glamour industry—Review—Calvin Bullock, Ltd., 1 Wall Street, New York 5, N. Y.

**Income Taxes and Other Legislation Affecting Canadian Enprise**—Bank of Nova Scotia, New York Agency, 37 Wall Street, New York 5, N. Y.

**Indian Market**—Review—Harkisondass Lukhmidass, 5 Hamam Street, Bombay, India.

**Investment Outlook**—Quarterly market analysis—Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

**Japanese Stock Market**—Study of changes in postwar years—In current issue of "Nomura's Investors Beacon"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures in Japan for 1959 and brief analyses of **Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co. and a survey of the Steel Industry.**

**Japanese Stocks**—Current Information — Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

**Over-the-Counter Index**—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

**Life Insurance Companies**—Analysis—Sutro & Co., Van Nuys Building Los Angeles 14, Calif.

**Paper Industry** — Analysis — E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

**Quebec Industrial Sites** — Information — Provincial Publicity Bureau, 50 Rockefeller Plaza, New York 20, N. Y., or Parliament Buildings, Quebec City, Canada.

**Savings and Loan Associations**—Study—Bache & Co., 36 Wall Street, New York 5, N. Y.

**Selected Issues**—Suggested portfolios in the current "Market Review" Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Celenese Corporation of America.**

**Toronto Stock Exchange**—Monthly bulletin of trading data on all issues listed—Toronto Stock Exchange, Dept. E-3800, 234 Bay Street, Toronto 1, Ont., Canada.

**Uranium in the Western World**—S. W. Clarkson—Atomic Energy of Canada Limited, Scientific Document Distribution Office, Chalk River, Ont., Canada—$1.50 per copy.

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**Adams Express Co.** — Memorandum — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y.

**Allis Chalmers Manufacturing Co.**—Analysis—Bacon, Whipple & Co., 135 South La Salle Street, Chicago 3, Ill.

**Allis Chalmers Manufacturing Co.**—Memorandum—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

**American Viscose Corp.**—Memorandum—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

**Atchison, Topeka & Santa Fe Railway**—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are surveys of **Fairmont Foods,** and **Westinghouse Electric.**

**Baltimore & Ohio**—Analysis—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also in the same circular are brief analyses of **Marlin-Rockwell** and **Dayton Power & Light.**

**Barnwell Offshore, Inc.** — Report—First Investment Savings Corp., 404 North 21st Street, Birmingham 3, Ala.

**Borax Holdings Ltd.**—Memorandum—Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

**Brewster-Bartle Drilling Company, Inc.** — Analysis—Rowles, Winston & Co., Bank of the Southwest Building, Houston 2, Texas.

**Colgate-Palmolive Company**—Report—Alkow & Co., Inc., 40 Exchange Place, New York 5, N. Y.

**Columbia Broadcasting System, Inc.** — Memorandum — Oppenheimer & Co., 25 Broad Street, New York 5, N. Y. Also available are memoranda on **Mission Corp.** and **Title Insurance and Trust Company.**

**Consolidated Freightways, Inc.**—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif. Also available is an analysis of the **Frito Company.**

**Diana Stores Corp.**—Analysis—Van Alstyne, Noel & Co., 52 Wall Street, New York 5, N. Y. Also available are data on **Studebaker-Packard, Public Service Electric & Gas,** and **Stewart Warner Corporation.**

**Dunham-Bush, Inc.**—Review—Fusz-Schmelzle & Co., Boatmen's Bank Building, St. Louis 2, Mo.

**Extrudo-Film Corporation**—Analysis—General Investing Corp., 55 Broadway, New York 6, N. Y.

**Food Fair Properties, Inc.**—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

**Gas Service Company**—Report—The Milwaukee Company, 207 East Michigan Avenue, Milwaukee 2, Wis. Also available are reports on **R. R. Donnelly & Sons Company, and Ed. Schuster & Co., Inc.**

**General Tire & Rubber Co.** — Review — A. M. Kidder & Co., Inc., 1 Wall Street New York 5, N. Y.

**Idaho Power Company**—Anaylsis—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

**Ling Altec Electronics Inc.**—Report—Parker, Ford & Company, Inc., 211 North Ervay, Dallas Texas.

**Lone Star Cement Corp.**—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available is a memorandum on **St. Regis Paper Co.**

**R. H. Macy & Co., Inc.**—Review—Hardy & Co., 30 Broad Street, New York 4, N. Y.

**Marine Midland Corporation**—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

**Marine Petroleum Trust**—Analysis—Carothers & Company, Inc., Mercantile Bank Building, Dallas 1, Tex.

**National Distillers and Chemical Corporation**—Analysis—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

**Pacific Petroleums Ltd.**—Anaylsis—Shaskan & Company, 40 Exchange Place, New York 5, N. Y.

**Packaging Corp. of America**—Memorandum—H. B. Shaine & Co., McKay Tower, Grand Rapids 2, Mich. Also available is a memorandum on **Richardson Co.**

**Sealright Oswego**—Memorandum—Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y.

**Simmons Co.**—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

**Spartan Industries**—Memorandum—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

**Standards Brands Inc.**—Analysis—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y.

**United States Freight Co.**—Analysis—Laird, Bissell & Meeds, 120 Broadway New York 5, N. Y.

**Jim Walter Corp.**—Memorandum—Alex. Brown & Sons, Reynolds Building, Winston-Salem, N. C.

**West Ohio Gas Company** — Analysis — A. G. Becker & Co., Incorporated, 60 Broadway, New York 4, N. Y.

**Westinghouse Electric Corporation**—Analysis—Reynolds & Co., 120 Broadway New York 5, N. Y. Also available is a report on **International Harvester.**

**White Motor Company** — Analysis — Schweickart & Co., 29 Broadway, New York 6, N. Y.



# Coming Events

*IN INVESTMENT FIELD*

**Sept. 23-25, 1959 (Milwaukee, Wis.)**
National Association of Bank Women 37th annual convention at the Hotel Schroeder.

**Sept. 24, 1959 (New York City)**
Corporate Transfer Agents Association 13th annual golf tournament and outing at Colonia Country Club, Colonia, N. J.

**Sept. 28-29, 1959 (Toronto, Canada)**
Association of Stock Exchange First Board of Governors meeting at the Royal York Hotel.

**Oct. 1-2, 1959 (Kansas City, Mo.)**
Southwestern Group Investment Bankers Association annual party at Hotel Muehlbach and Oakwood Country Club.

**Oct. 2-3, 1959 (Dallas, Tex.)**
Dallas Security Dealers Association annual field day at the Ridglea Country Club.

**Oct. 14, 1959 (New York City)**
New York Group Investment Bankers Association of America 39th annual dinner at the Waldorf Astoria.

**Oct. 14-17, 1959 (Philadelphia, Pa.)**
Consumers Bankers Association 39th annual convention at the Warwick Hotel.

**Oct. 20-23, 1959 (Hollywood-by-the-Sea, Fla.)**
National Association of Supervisors of State Banks annual convention at The Diplomat Hotel.

**Oct. 22, 1959 (Cincinnati, Ohio)**
Ohio Group of Investment Bankers Association annual fall meeting.

**Oct. 25-28, 1959 (Miami Beach, Fla.)**
American Bankers Association Annual Convention.

**Oct. 30-31, 1959 (St. Louis, Mo.)**
National Association of Investment Clubs annual convention at the Sheraton Jefferson Hotel.

**Nov. 1-5, 1959 (Boca Raton, Fla.)**
National Security Traders Association Annual Convention of the Boca Raton Club.

# Businessman's BOOKSHELF

**Banking Laws of the State of Connecticut,** 1959 Edition—Bank Commissioner, State Office Building, Hartford 15, Conn., $2.50. Separate pamphlets are available on the following at a cost of 25¢ each: Credit Unions; Sales Finance Companies; Small Loans; Sale of Securities.

**Canadian Statistical Summary** — August, 1959—Bank of Canada, Research Department, Ottawa, Ont., Canada, (paper), 25¢ ($3.00 per year).

**Early Days of New York and Its First Savings Bank**—Historical booklet—Bank for Savings in the City of New York, 280 Fourth Avenue, New York 10, N. Y. (paper), on request.

**How Retarded Children Can Be Helped** — Evelyn Hart — Public Affairs Committee, 22 East 38th Street, New York 16, N. Y. (paper), 25c.

**Increasing Office Efficiency** — Bureau of Business Practice, 100 Garfield Avenue, New London, Conn. (paper), 35c (quantity prices on request).

**International Flow of Private Capital 1956-1958** — United Nations Department of Economic and Social Affairs — Columbia University Press, 2960 Broadway, New York 27, N. Y. (paper), 75c.

**Jobs in Employee Relations** — American Management Association, 1515 Broadway, New York 36, N. Y., $1.50.

**Labor Reform Law**—Text, background analysis, and rules of operating—Bureau of National Affairs, Inc., 1231 24th Street, N. W., Washington 7, D. C., $8.50.

**Lesson in French — Inflation**—Melchior Palyi — Economists National Committee on Monetary Policy, 1 Madison Avenue, New York 10, N. Y. (paper.)

**New York State Commerce Review:** Postwar Trends in New York's Economy — New York State Department of Commerce, Albany, N. Y. (paper), on request.

**Senate Hearings Reveal Vital Need for Depreciation Reform**—Highlights from the Proceedings of the Senate Small Business Committee Hearings—American Economic Foundation, 51 East 42nd Street, New York 17, N. Y. (paper).

**Strengthening the Japanese Trade Position in the United States:** A Pilot Study — United States-Japan Trade Council, 1000 Connecticut Avenue, Washington 6, D. C., (paper).

**Studies of Highway Development and Geographic Change** — William L. Garrison, Brian J. L. Berry, Duane F. Marble, John D. Nystuen and Richard L. Morrill—University of Washington Press, Seattle 5, Wash., $7.50.

**Tax Aid Record and Appointment Book**—For 1960—Business Reports, Inc., Larchmont, N. Y., $5.95.

**"The Time Has Come to Face the Facts"**— Summary of the Four Reports of the President's Committee to Study the United States Military Assistance Program—Committee to Strengthen the Frontiers of Freedom, 1025 Connecticut Avenue, N. W., Washington 6, D. C., (paper).

**Uranium in the Western World**—A Study of the Short-Term Market Prospects for Canadian Uranium — S. W. Clarkson — Atomic Energy of Canada Ltd., Scientific Document Distribution Office, Chalk River, Ont., Canada (paper), $1.50.

# World Inflation Has Ceased And Other Observations

By PER JACOBSSON*

*Chairman of the Executive Board and Managing Director International Monetary Fund, Washington, D. C.*

**World's monetary fund manager stated recently in a Swedish newspaper, which should affect the tenor of the IMF and IBRD annual meeting commencing Sept. 28, that "we do not any longer need fear a general price increase." As to dollar devalution fears, he found they have considerably lessened due to our interest and wage policies. Other observations made are: (1) demand for capital is so great there can be no decrease in interest rates; (2) Europe is in the middle of an economic upswing; (3) London is once again the foreign exchange center; and (4) external convertibility is a success so far. The noted economist warned what course governments must pursue to avoid resumption of price inflation.**

The new large markets require industry to be combined in larger units and this will in the coming years cause increased demand for capital for industrial investments.


Per Jacobsson

In a period of low economic activity, increased public demand creates an impetus for economic expansion. At present the opposite is the case: During a period of high economic activity the authorities should decrease their activities in order to place the resources at the disposal of an increased private economic expansion. In addition, at present more capital is needed for support of the underdeveloped countries. If we also take into consideration the social demands for better and more hospitals, more schools, etc., it is easy to understand that at present the demand for capital is so great that at least there can be no decrease in interest rates.

There is a world-wide tendency to strive for stabilization of exchange rates. On my part, I believe that the world inflation has reached its end. Production is so large and competition so keen that I believe we do not any longer need fear a general price increase. This places larger demands on the individual countries so that each of them has to be concerned with its own exchange problem. This function should not in these days be entrusted exclusively to the central banks, even though these still have an important role to fill. Because of the increased importance of the public sector, government expenditures and borrowing often play an almost decisive part, a point of view to which more and more consideration must be given.

### Danger From Government Sector

The price level in Sweden is closely linked to that of the world markets, which prices rapidly influence those on the Swedish market, both for exports and imports. In Sweden as in most other countries the greatest inflationary danger is generated almost exclusively by the budget. It is therefore extremely important this fall that the Riksdag takes measures to eliminate the danger arising from a too large demand for capital from the government sector and also from wrong methods of financing (borrowing on too short-term). Consideration must be given to these points of view by those countries which are favored by high economic activity in such a way that economic progress is not jeopardized. This is understood not the least in the United States; I refer to President Eisenhower's determined policy to balance the budget and to maintain such interest rates that a balance may be achieved on the capital and money markets together with such a wage policy that new price increases may be avoided.

### Lessened Fears of Dollar Devaluation

Concerning the rumors of a devaluation of the U. S. dollar, I have observed during my travels in Europe this summer that the fear of a devaluation has lessened considerably during the last months. The switch in opinion which has taken place is based not the least on the interest and wage policies which at present are followed in the United States.

Whatever the solution will be to the problem of settling the question of the lowering of customs duties, etc., in a matter acceptable to The Six and The Outer Seven, it is probable that expanded markets will develop, and these will necessitate an adjustment to the new situation through a large-scale industrial rearrangement. This will increase the demands for industrial financing. The necessary capital must be available, otherwise the country will be lagging behind in the general competition.

On Sept. 28 the Annual Meeting of the IMF and the IBRD starts. It is very important to have contact with the different countries during the preparations for the coming annual meeting. After the improvement which has taken place in Europe, not the least in the foreign exchange field, it is obvious that the European countries will play a greater role in economic and financial policy, with subsequent greater obligations.

Three developments which are of great importance to the work of the Fund have taken place this year. One is the introduction of external convertibility at the beginning of the year. This important step has, as far as can be seen, succeeded. The foreign exchange reserves of almost all European countries have increased.

Swiss bankers told me, when I recently visited Switzerland, that foreign exchange trading has, to a not inconsiderable extent, transferred to London. Foreign exchange trading in London has almost doubled in one year. The convertibility has made it easier to cash coupons and make other transactions, and I heard in Switzerland that the banks have considerably decreased their current expenses, thus they earn more on cost reductions than what they earlier earned on the foreign exchange transactions they have lost to London. The work goes much easier.

### Middle of an Upswing

Secondly, the downward economic tendency may now be said to have been defeated and we are in the middle of an economic upswing which so far has been characterized by an increased demand which has caused almost full employment of the existing industrial capacity and which has even started to necessitate an increase in capacity. There is reason to look forward to a new investment boom. This means that the demands on the capital market will increase and that the government should not absorb too much savings. The result is therefore again that the authorities should leave more of the savings for industry in order not to hamper an economic expansion.

### The Increase in the Fund's Resources

Finally, the increase in the resources of the Fund and the Bank which was proposed at the last annual meeting in New Delhi is now a reality. The proposal has been accepted by the parliaments in a sufficient number of countries to make the increase effective. In September the resources of the Fund will therefore be increased from \$9 to \$14 billion, of which \$1 billion will be paid in gold and \$4 billion in currency. It is interesting to observe that there has been almost no opposition to the proposal.

The Fund will thereby have increased possibilities to intervene in case of foreign exchange difficulties. After the Suez crisis, for instance, the Fund's extensive assistance action to England, coinciding with the measures taken by the British authorities, produced a strengthening of the position of the sterling, to the extent that it is again able to fulfill its role as a world currency.

### Increased Stabilization

During the year an important part of the Fund's activities has been in connection with the planning and the financing of stabilization plans in, for example, France, Chile, Turkey, Colombia, and, most recently, Spain. Credits from the Fund are repayable within three to five years. At the same time as the Fund has granted its assistance, resources have also been made available from other sources, e.g., U. S. Import-Export Bank, OEEC, American banks. Through these different stabilization plans, it has been possible to strengthen the foreign exchange system in the world. The transactions of the Fund have now reached a total of \$4.2 billion, three-fourths of which have taken place during the last three years.

There are, of course, still many unsolved problems, for instance, concerning the raw material producing countries whose export prices have declined. This has been to the advantage of the importing countries, but it has created difficulties for the producers. Nevertheless, these countries have more and more taken measures to achieve a balanced economy and a stabilization of their currencies in order to create a sound basis for continuous economic expansion and, not the least, to maintain the necessary credit worthiness.

*From an article in the *Svenska Dagbladet*, Stockholm, Sweden, Aug. 24, 1959.

## Wilson Member of Tri-Continental Comm.

Robert J. M. Wilson has been made a member of the investment committee of Tri-Continental Corporation and the Broad Street Group of mutual funds it has been announced by Francis F. Randolph, Chairman, and Fred E. Brown, President, of this \$700 million group of investment companies.

The investment committee directs the work of the research staff of the four investment companies and recommends the purchase and sale of securities for their portfolios. In addition to Mr. Wilson, committee members are Thurston P. Blodgett, Chairman, and Frederick W. Page, both Vice-Presidents and directors of Tri-Continental and the Broad Street Group of mutual funds.

### Westheimer Branch

WASHINGTON COURT HOUSE, Ohio—Westheimer and Co. has opened a branch office in the First National Bank Building under the direction of Carl R. Elberfeld.

### Lentz Newton Admits

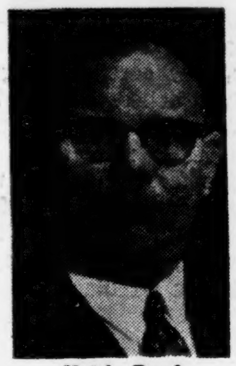
SAN ANTONIO, Texas—Lentz, Newton & Co., Alamo National Building, members of the New York Stock Exchange, on Oct. 1 will admit Frank J. Greene to limited partnership.

### Forms Schraub Co.

MAMARONECK, N. Y.—Edgar D. Schraub has formed E. D. Schraub Co. with offices at 1020 Nautilus Lane to engage in a securities business.

## Keith Reed Heads Central Securities

DALLAS, Texas—Keith B. Reed, veteran Dallas security dealer, has been elected President of Central Securities Company and new offices for the firm have been opened at 5738 North Central Expressway.


Keith Reed

The firm is engaged in a general securities business as underwriters, distributors, and dealers in corporate stocks and bonds, Texas municipal bonds and mutual fund shares, and will specialize in oil and gas securities as well as producing properties.

A 14-year veteran of the investment business, Mr. Reed is a former general partner of Binford, Dunlap and Reed and former President of Keith Reed and Co.

### Opens Inv. Office

KEW GARDEN HILLS, N. Y.—Belle Cohen has resumed her investment business from offices at 144-37 Seventy-Sixth Avenue.

### Form Progressive Planners

CLIFTON, N. J. — Progressive Planners, Inc. is engaging in a securities business from offices at 318 Clifton Avenue. Officers are George L. Schrader, Jr., President; Richard Len, Vice-President; and Frederick Marschalk, Secretary-Treasurer. Edward Seidler is also associated with the firm.

### Forms Sakier & Co.

Sakier & Co. has been formed with offices at 50 Broad Street to engage in a securities business Officers are Abraham H. Sakier, President; Morris H. Greenberg, Vice-President; and Israel S. Schwartz, Secretary. Mr. Sakier is head of American Palestine Securities Co.

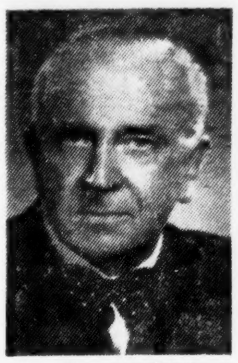
# Air Transport and The Mass Market

By SIR WILLIAM P. HILDRED*

*Director General of the International Air Transport Association, Montreal, Canada*

**To stave off the vicious circle from entering the act of increasing the jet's payload and in lowering the charge to the consumer, the International Air Transportation Association must compete with television sets, new cars, washing machines and swimming pools in order to divert dollars into the travel market. So says the Association's spokesman in pointing out that the air lines like their first taste of the mass market and see therein their future. Thus, Sir Hildred hopes fares and rates will be made too attractive for the public to ignore, and he is confident new capital will be forthcoming at a faster rate than the 150% increase in the past decade. He warns, however, that the jet system must successfully take over before manufacturers offer supersonic aircraft.**

A review of the general development of international air transport comes at an appropriate moment. We are just completing the first 40 years of scheduled commercial air transport and only recently we passed the 40th anniversary of the founding of IATA as the agency for international cooperation in transport aeronautics.



Sir Wm. P. Hildred

These forty years can be divided into two 20-year periods. From 1919 to 1939, we took the primitive aeroplane which the First World War had given us and put it to work in a rudimentary way in peaceful commerce. From 1939 to 1959 we have applied the tremendous technological development of the second world air war to the carrying of larger burdens over longer ranges at greater speeds and come at last into the era of jet transport.

There are so many statistics in the world today that I hesitate to add to them. To give an example without figures of the growth of air transport I would say that the smallest inter-city helicopter operator among IATA's members carries today as many passengers as all the members of IATA did in 1920. Many of our airlines today carry as much in a year as all the members of IATA did in 1938.

*An address by Sir Hildred before the annual assembly of the British Assn. for the Advancement of Science, York, England, Sept. 7, 1959.

The development of the first two decades was slow, but steady. In 1920, aircraft had an effective range of about 300 miles and a speed of about 85 mph. Their payload capacity was about 800 lbs. They could work about 300 hours a year and spent nearly half their time in the hangar for repairs. After dark and in the winter season, which meant six months, they did virtually no flying at all.

But by the time of that outrage, the second World War, aircraft had developed into something resembling the sleek, silver-skinned monoplanes of today. Their speed had increased to 185 mph, their range to 1,000 miles and their all-up weight to 25,000 lbs. They were flying the year round, flying at night and flying blind. The services of the airlines had reached out to link Europe with Asia, Africa and Australia; there were extensive systems in North and South America and the first links over the oceans between the two hemispheres were being forged. But I remind myself that even in 1941 when I flew to Vancouver, Trans-Canada only had one aeroplane which could climb the Rockies. So we flew to the foot of the Rockies and waited at Lethbridge for the one Lodestar which had the necessary power to get over the mountains.

### Phenomenal Growth Since World War II

The development of air transport since the end of World War II has been phenomenal. The demands of the war years and the enormous needs of reconstruction in many parts of the world combined to create an unprecedented requirement for air transport. That war had left a legacy of improved transport aircraft in large numbers and what seemed at the time an almost bottomless reservoir of aggressive trained flying personnel. Moreover, the forced draft of scientific research and technological development of the war years provided the basis for a continuous improvement in the performance of aircraft and their related services which is still in progress.

The result in terms of the work performed by the scheduled airlines of the world—a few million passengers carried in 1946, 90 million last year; 900 million kilometers flown in 1946, 3,000 million last year. In 1958 the scheduled airlines carried more passengers across the North Atlantic route alone than the whole membership of IATA carried anywhere in 1938.

The implications of that progress in terms of the airlines and the aircraft they operate can be read from other indices—revenue passenger kilometers 10,000 million in 1946, 70,000 million in 1957; operating revenues up from $1,000 million in 1946 to $4,000 million in 1958. But by the same token, operating expenses up from $1,100 million in 1946 to $4,360 million in 1958; and 1958 reveals an overall operating deficit of $160 million. The safety figures show a reduction from 3 fatalities per 100 million passenger kilometers down to point 4 fatalities per 100 million passenger kilometers.

Figures, of course, tell only part of the story. More is to be found on the map; and I have not yet seen a map big enough to show all the air routes of the world in their detailed intensity and complexity. But the picture would not be complete unless one visualizes a network of services around the globe, spanning all of the oceans and connecting many thousands of cities on all the continents with an almost infinite number of possible routings.

### The World Is a Single Neighborhood

This network, over which traffic shuttles ceaselessly and in daily increasing volume, constitutes one of the facts of modern life. It has become a cliche to say that the airlines have shrunk the world, but it is true. There is literally nowhere in this world today which can be considered remote, or inaccessible. You can get anywhere from anywhere in less than three days. In a physical sense, mountains, seas, deserts and forests no longer constitute barriers to the movement of man and his goods. The world has become a single neighborhood in which no man's fence can ever be high enough again to shut him away from a concern with the affairs of his fellows. In commercial terms, the services of air transport are now available at fares and rates which make them feasible as the normal, rather than the exceptional, means of movement for millions of persons of what is considered average income in many countries, and for the shipment of an immense variety of goods.

It is with the technical problems that I am mainly concerned. I have indicated that the IATA Technical Committee and the Technical Conference work with their eyes in the future. They have to. The future is rushing at them so quickly. Indeed our major concern is to digest the technological revolution brought about by the application of turbine power to civil air operations. The jet is the present pre-occupation of the airlines and I must dwell for a moment on its implications.

Immediately after the war, the airlines foudn themselves with an assortment of two-engined and four-engined aircraft, typified by the Douglas DC-3 and DC-4, designed to carry 22 and 44 passengers respectively. Their still-air ranges were in the neighborhood of 1,500 and 3,000 miles, and their maximum cruising speeds were 190 and 227 miles per hour, respectively. By comparison, the large four-engined intercontinental jet aircraft now coming into service have a capacity of up to 160 passengers; their still-air range has been raised to over 5,000 miles and they cruise at more than 550 miles per hour.

### Some Growth Statistics

So, at one and the same time, the speed of this new generation of aircraft has more than doubled, their range has substantially increased, and their passenger capacity has more than trebled. Aircraft weights have increased fourfold, engine powers have multiplied by a factor of six, and, of course, not to be outdone, manufacturers' prices have risen eightfold over the same period. Equally important, the aircraft and its associated equipment have become vastly more complex.

### Jet's Productivity

The most useful result of the evolution which has led up to these large and complex jet aircraft is their markedly increased productivity. "Productivity," as applied to an aircraft, refers to the rate at which it can do transport work, and is calculated by taking average speed from engine start to arrival, and multiplying it by payload. A recent economic survey by ICOA indicates that, assuming average operational conditions, the productivity of the Boeing 707-420, in ton miles per hour, is more than 8½ times as great as that of the DC-4.

Of course, productivity is not the whole story. This, and other such advantages as the notable increase in range over the years, are not necessarily desirable in a commercial sense, unless the cost of doing the work can be reduced.

Direct operating costs are the normal yardstick by which the commercial desirability of an aircraft is assessed. Though the calculations for large jet aircraft vary in degree, they all show one trend: the direct operating costs per ton mile are significantly reduced. This is why the airlines have turned to the jet. The operator produces and sells a public service, the passenger seat-mile and the cargo ton-mile. The only way to keep ahead of the rising costs of materials and services is to improve productivity and expand the market. How well this has worked is testified by the fact that more passengers are flying the Atlantic today in Super-constellations than flew the route in DC-4s when the IATA Traffic Conferences began and at fares which have been reduced by 30% in shillings and pence. In terms of the working time required to earn the price of the ticket in manufacturing industries in the U. S. and the U. K., the reduction has been 60%.

### Future Lies in Mass Market

Thanks to the descending curve of fares and the rising standards of living in many countries, these postwar years have thus given the airlines their first taste of the mass market and they are convinced that this is where their future lies. The last generation of piston-engined aircraft represented the absolute limit of the productivity which could be squeezed from this form of motive power. The industry cannot lower its fares by cutting a non-existent operating profit. The continuation of an expanding air transport therefore requires that the airlines avail themselves of the greater productivity of the jet.

Since the price of the jet and its operating cost per mile are high, the airlines have been criticized for paying an excessive amount for speed. The fact is that the speed is virtually incidental: the jets carry more seats and what the airlines are buying is the lower cost per seat-mile. This is the present position of the industry. The technology of air transport dictates that in order to keep one jump ahead of our own costs, airlines must use more efficient and more economical aircraft. This means aircraft of much greater productive capacity, which must be filled with a larger payload. To get this increased payload, charges to the consumer must be reduced. This is a circle, but not necessarily a vicious one, for the potential demand for airline service is so vast that present carryings are infinitesimal in comparison with what we hope for when we can cater for the millions who want to travel for pleasure.

This brings us full circle to the machinery for creating suitable fares and rates and also into the province of the Traffic Conferences.

Despite the complexity of world airline operations, the Conference pattern of agreed rates and fares has been extended to every area of the world. It has been flexible enough to keep pace with the rapid expansion of routes and traffic since 1946, and to provide for the blue ribbon luxury services of the North Atlantic and the regional feeder services of less developed areas. It has also been strong enough to withstand many drastic fluctuations in exchange rates as well as great fluctuations in seasonal traffic.

The fact that less than 3% of the Conference resolutions have ever been disapproved, even in part, by governments, is an indication of their close attention to the public interest.

Finally, this pattern of agreement has been realized without sacrifices of the individuality of any of the airlines which are a part of it, and without interfering with the normal and beneficial workings of competition. While the Conferences have fulfilled one obligation to governments by maintaining their rates at an economic level which will not touch off cut-throat rate wars and create a drain upon public treasuries, they have also been able progressively to reduce the price of air transport to the public.

The Conferences are to be held this year in Honolulu. There will be three weeks of hard discussions which will be of interest to governments, to the public and to the airlines themselves. What will they face and what circumstances will govern their discussions and resolutions? The jet will intensify everything. Not only is it a very productive unit of transport, but it will fly over half a dozen countries in as many hours; it will loosen still further frontier formalities; it will break down isolations; it will give a further impetus to economy travel; it will demand bigger markets; it will

cater for a world which shows a rising standard of living and an increasing urge to travel; it will stimulate the building of hotels and motels in all tourist countries; it will intensify the present volume of advertising, for travel is only one attraction to people with disposable dollars. The volume of travel we want must compete with television sets, new cars, washing mahines and swimming pools and we must be sure to divert the dollars into the travel market.

We must, in short, get passage fores and cargo rates down still further. The fares are like a dam on a large river. Lower the height of the dam even a little and a very large volume of water will flow over. Raise it and the overflow stops. It is the task of the Conference to recognize these facts of the life about us and come up with fares and rates which governments can approve and which the public will find too attractive to ignore.

**The Potential Is There**

The potential is these. In 1957, Americans alone spent $593,000,000 on air transport of all types. This is an increase of 460% over what was spent in 1946, but it is still only 0.2% of the total spent on goods and services in the country in 1957. U. S. economists have been studying what they call "income sensitivity coefficients." This study indicates that for every 1% increase in the disposable income of the U. S. consumer, he will spend 3% more on air transport than he did before. It was the highest figure in the table. If this sensitivity to air transport can be combined with lower fares, the prospect looks bright.

I say bright even though the airlines last year handled a record turnover of over 4,000 million dollars, did an inordinate amount of work and finished the year with an operating loss of 160 million dollars. And this at a time when they are all finding new capital of an unprecedented order of magnitude, for their new jet fleets. Capital investment in the airlines over the last 10 years shows an increase of 150% on the average. Having done this, will they be able to find vastly greater amounts in the next few years?

I am confident that the answer is affirmative; and I am not being a Micawber. Our position is that of any industry which is in the process of retooling at the same time as it is carrying on its normal commercial activity. But we are also an industry with a high sensitivity to temporary external vicissitudes. Even if there is a depression, people go on drinking water and eating food; but a slight recession will check pleasure air travel very quickly. Happily, however, a phase of prosperity brings high rewards. We are rather like a child's temperature, soon up, soon down.

**Cautions Against Supersonic Planes**

We have to recognize that air transport is a "system" and we must look at new technical developments in the light of its place in the whole chain of facilities and arrangements which are required to get a payload from point to point with optimum speed, safety, and economy. We can cope with the jets; and the terminal facilities, the airports, the runways and the navigation aids they require will come along in phase. But if manufacturers, inspired and driven by the dedicated designers in their project offices, suddenly throw at us a supersonic aircraft which can do 2,000 miles an hour before the rest of the system is in phase to accept it, we shall run into difficulty. We must advance like an army in good order: the blanks and the center, the air cover and the logistics must maintain effective contact and the technical side must not hurry us beyond what the rest of the system will bear.

Another general comment I must make is that, after 14 years experience, I still stand amazed by the fact that 80 international carriers, representing 50 countries, with varying equipment, with different lengths of route, differing classes of business, different outlooks and prejudices, different languages, currency, religion and standards of living, can get down to a discussion of worldwide rates and fares, a baggage allowance, or agency matters or interline matters and reach unanimous decisions. This is demanded by the operational logic of a world transport system and because every government has the right to approve, disapprove and amend the rates charged their people by the airlines which serve them. In order to make the system, all the operators give up a little of their autonomy, or their managerial function, or shall I say their sovereignty in order to reach an agreement, one which none may like but which each can live with. We have thousands of fares and rate agreements and other resolutions and business arrangements of the greatest complexity; yet day in day out, one airline ticket or one airway bill will take a man or a package thousands of miles across the routes of many carriers.

**Pleased With International Cooperation**

This cooperation, this yielding up of autonomy in the interests of the whole, will be intensified by the equipment we are now buying. I am sometimes tempted to think that on the higher level of international politics, we—and our children and grandchildren—would be in a happier position if nations voluntarily yielded up a little of their national sovereignty and subjected themselves to the observance of a rule of law. That is not a theme for this paper, but I know many pioneers in the international air business turn their thoughts in this direction after a generation's experience of the cooperation which IATA produces amongst the airlines great and small.

I will not go so far as to say that IATA represents a small successful working model of a democratic process on a worldwide basis although in my opinion it comes close to that. But I do believe that the statement in Chapter 1 of the Chicago Convention that "every State has complete and exclusive sovereignty over the air space above its territory" is a doctrine which must give concern to the Almighty. National sovereignty undiluted by the rule of law becomes ever more dangerous.

Finally I would say that what keeps the job sweet for me is the increasing knowledge and friendship on the part of all peoples which it makes possible. Our job is to consolidate the enormous promise of this development and ensure that the jets will carry increasing numbers of human beings in safety with the object of creating better standards of living and a higher degree of friendship, mutual confidence and international understanding at the level of the people. If the aim of science is to do honor to the human spirit, we have in the aeroplane, that complex of technological excellences, one of the finest instruments ever made by man for his own well being and happiness.

## Now With Newhard, Cook

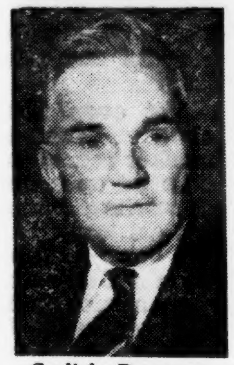
(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — William A. Gerst has become associated with Newhard, Cook & Co., Fourth & Olive Streets, members of the New York and Midwest Stock Exchanges. Mr. Gerst was previously with Fusz-Schmelzle & Co. and Braman-Schmidt-Busch, Inc.

# FROM WASHINGTON ...Ahead of the News

*BY CARLISLE BARGERON*

The State Department will breathe one long sigh of relief when Khrushchev finally ends his visit. They believe that no matter how much he is provoked, he will not pick up and leave without his scheduled visit with President Eisenhower at Camp David. But if he has many more receptions as he got at the Economic Club in New York, and at the hands of Mayor Poulson of Los Angeles, he will go away with such a bitter taste in his mouth that he will feel unfriendly to the United States for the rest of his life.



Carlisle Bargeron

The Department officials have cautioned other mayors in making welcoming speeches to avoid irritating remarks. The temptation of local politicians is to say something insulting to clear their skirts with their constituents. They want to be by way of saying: "I was courteous to him as a duty but I told him off."

The question which William H. Lawrence, President of the National Press Club, asked the Russian Premier when he appeared before that body was hardly in good taste. In effect, Lawrence asked him if he was a coward during the regime of Stalin, if he kept his head low and stayed out of trouble. On the other hand, Khrushchev had been tickled to death to appear before the club, and fully understood from previous experiences of Mikoyan and the present Russian ambassador that he could expect some sharp questioning. No man ever living had a greater forum than he did on this occasion. His remarks went not only all over this country but to Europe and the rest of the world in general.

It is no longer a question of protecting him against bodily harm but one of preventing such incidents as happened in New York and Los Angeles. His conference with the labor leaders in San Francisco apparently was not a happy meeting.

In the meantime, Khrushchev's disarmament proposal has caused considerable furrowing of the forehead in official Washington. In offering it, he accompanied it by an acceptance of "controls." This is something we long ago proposed. What he means by "controls" remains to be seen. Whether they would be effective or not is the question.

Senator Humphrey, the garrulous and energetic Minnesotan, who would like to be President apparently thinks so much of his offer that he has announced an immediate study to determine what the affect would be on our economy. With so much of it devoted to waging the cold war, disarmament would have a terrific impact. For example, the aircraft manufacturers are the second or third largest employers in the country today. Talk of disarmament makes the stock market go down.

It is ironic that in the conference with labor leaders in San Francisco, Walter Reuther, President of the UAW-CIO, was the greatest defender of our system. Back in the early 30s he spent considerable time in a Soviet plant and sent back glowing reports of conditions in Russia. Joe Curran, another defender of our system, was thought to have been a Communist for a long time. Jim Carey of the electrical workers, is decidedly to the left of center, while the others at the meeting have never been considered conservatives. Khrushchev must have been amazed to find this group so belligerent.

What makes Khrushchev so mad apparently is his inability to make the people of this country take his visit seriously. Very few of our citizenry believe that he has come over here as any apostle of peace, except on his own terms.

In any general disarmament plan, for example, the first thing we would have to do would be to withdraw our troops from Europe and, more serious, to dismantle all of the air bases with which we have Russia completely ringed and from which our bomb carrying planes can take off at a moment's notice and wreak destruction on Russia. This has been our main deterrent throughout the cold war against any provocative action by Russia. They are undoubtedly ahead of us in guided missiles, particularly long range missiles. Whether they could loose them against us with any degree of accuracy is questionable but they have hit the moon and it is farther away than this country.

Even if Khrushchev and Mr. Eisenhower can get together on nothing more than the question of Berlin, something will be accomplished and for that reason we hope Khrushchev's visit ends in no further unpleasantness.

## With Gaston Roberge

(Special to THE FINANCIAL CHRONICLE)

LEWISTON, Me. — James D. Riordon is now with Gaston J. Roberge & Co., 124 Lisbon Street.

# The London Stock Market Until and After the Election

By PAUL EINZIG

**The course of the London Stock Market between now and the election and likely prospects in the event of a Labor Party victory—held not to be so unlikely since the Gallup Poll erred about the Tories in the 1950 election—are charted by Dr. Einzig. As to the Socialist contention they would induce expansion from which it could obtain higher tax yield for more government spending, the British columnist supplies the answer which, he finds, the Conservatives have not as yet done. The writer explains why a Labor victory spells inflation, wonders whether the market's current strength can be attributed to this as well as to the assumption of a Conservative victory, and sees only a substantial decline in our stock market or changed Gallup Poll figures halting England's boomlet.**

*LONDON, Eng.* — The general election campaigns are in full swing. The main Parties have published their election manifestoes. They offer bigger and better bribe to the electorate. The Conservative manifesto is full of costly promises, but the Socialist manifesto has no difficulty in outbidding its antagonist. The outcome of this auction is bound to be inflation, no matter which side wins, and the difference will be merely that inflation under Socialists would be even bigger.

Paul Einzig

The Labor Party does not admit that its promises are inflationary. It also claims that its additional expenditure would not require additional taxation, because it would be met out of the extra proceeds of existing taxes resulting from an expansion of the national income. The Socialist argument is that had it not been for Mr. Thorneycroft's restrictive measures, national income in 1958 would have risen to a sufficient extent to bring the Government an additional revenue of £450 million available for additional hospitals, schools, pensions etc. There is of course an answer to that, but the Conservatives have not thought of it. For had it not been for the unrestrained greed of the Trade Unions, actively encouraged by the Labor Party, the need for restrictive measures leading to a check in the expansion of production would never have arisen, and national output would have continued to expand.

The Labor Party's promise of covering additional expenditure out of increased taxation yield resulting from expansion means that a Socialist Government would never resort to disinflationary measures if in doing so it would check the rise in production.

Nor is this the only indication that under a Labor Government, Britain would have to face a revival of inflation on an increased scale. The Socialist manifesto confirms earlier statements concerning the acquisition of equities by the Government. The reserves of the National Insurance Fund, which are at present invested in Government loans, would be switched into industrial equities. But this would amount to the admission that the Government does not trust its own bonds, that it expects them to fall and lose their purchasing power. Such a gesture would inevitably lead to a flight from Government loans which would become unsalable except at very low prices. It would become inevitable for the Government to finance its requirements with the aid of an increased Treasury Bill issue, which would produce a highly inflationary condition.

**Why Stock Market Firmness?**

It is probably because of the anticipation of such developments that the Stock Exchange has displayed firmness lately in spite of moderate declines in Wall Street. Nobody can be certain at this stage whether the Government will really succeed in returning to office. It is true the Gallup Poll shows a 5½% lead in favor of the Conservatives but that is far from conclusive. In 1950 the Gallup Poll showed a twice as big Tory lead and yet the Labor Government won with a narrow margin.

It is probably the realization that in case of a Labor victory there would be unfettered inflation, and that the resulting rise in equities would be accentuated by purchases for the government, that induced many investors and speculators to take a hand regardless of election prospects. This attitude may be right in the long run, but the immediate effect of a Socialist victory is bound to be a sharp fall in ordinary shares. Holders would want to realize them in a haste, in order to transfer their capital abroad while the going is good. Exchange control is relaxed, and it would take some weeks for a Labor Government to reinforce it. Meanwhile the flight from Socialist taxation and from other anti-Capitalist measures would drive large amounts abroad. The government might feel impelled to reinforce exchange control by a credit squeeze and high Bank rate, which will be necessary in any case to defend sterling.

Yet even though this may be obvious, the foreign exchange market seems to display an overdose of optimism. The firmness of sterling during the import season can only be accounted for on the basis of the expectation of a certain Conservative victory, and such a victory is not in the bag by any means. Indeed the rise on the Stock Exchange makes it decidedly less certain, owing to its effect on a large section of the electorate which does not benefit by it, not being in a position to invest or speculate.

**Need for Wall Street Decline**

A substantial decline in Wall Street would call a halt to this speculation of British investors on the assumption of a Conservative majority. For the narrowing of the yield between London and Wall Street would result in substantial American selling which would be sufficient to halt the boomlet if not reverse it. Without such a setback in Wall Street the only chance of a halt in the boom in British equities would be in case of a change in Gallup Poll figures against the government. Absurd as it may sound, the more probable a Conservative victory it may appear the less probable it will become as a result of the effect of optimistic expectations on the Stock Exchange and through the Stock Exchange on the attitude of the general public.

It ought to be realized that investors, British or non-British, have good reason for fearing the anti-Capitalist attitude of a Labor Government. For the Labor Government of 1945-51 expressed its anti-Capitalism mostly in nationalizations. The British public wants, however, no more nationalizations, and the Labor Manifesto gave an undertaking that there would be none beyond the re-nationalization of steel and road transport, in addition to vague threats against industries that don't behave themselves. The pent-up anti-Capitalist feelings accumulated during eight years in opposition would be let loose in the form of anti-Capitalist measures in the private sector of the economy.



## Stewart Eubanks Co. To Admit Partners

SAN FRANCISCO, Calif.—Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges, on Oct. 1 will admit Matook R. Nissim and Leonard J. Block to partnership.

## With Ball, Burge

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Mrs. Margaret B. Kiley has joined the staff of Ball, Burge & Kraus, Union Commerce Building, members of the New York and Midwest Stock Exchanges.

## With E. F. Hinkle

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Loren W. Adkisson is now affiliated with E. F. Hinkle & Co., Inc., Equitable Building.

## Investment Bankers Association Receives Slate for 1960

WASHINGTON, D. C.—John C. Hagan, Jr., President and Director, Mason-Hagan, Inc., Richmond, Va., has been nominated for President of the Investment Bankers Association of America, it was announced by William D. Kerr, current President of the Association, and partner, Bacon, Whipple & Co., Chicago, Ill. The

John C. Hagan, Jr.

William M. Adams

Warren H. Crowell

Edward Glassmeyer

George A. Newton

Robert O. Shepard

announcement was made following the Fall Meeting of the IBA Board of Governors, Sept. 16-18, Santa Barbara Biltmore Hotel, Santa Barbara, Calif.

Named with Mr. Hagan are the following nominees for Vice-President:

| | | |
|---|---|---|
| *William M. Adams | Braun, Bosworth & Company | Detroit |
| **Warren H. Crowell | Crowell, Weedon & Co. | Los Angeles |
| **Edward Glassmeyer | Blyth & Co., Inc. | New York |
| George A. Newton | G. H. Walker & Co. | St. Louis |
| Robert O. Shepard | Prescott, Shepard & Co., Inc. | Cleveland |

*Nominated for third term; has been Vice-President since December 1957.
**Nominated for second term; has been Vice-President since December 1958.

The Association will act on the slate at its Annual Convention, Nov. 29-Dec. 4, 1959, at the Americana, Bal Harbour, Fla. Nomination is tantamount to election. The new President and Vice-Presidents will be installed Dec. 3.

## Corporate Working Capital Up Sharply

**Largest quarterly gain in corporate working capital since the early 1950s is reported for the second quarter of this year. It came to $3.0 billion which brought the net total as of June 30th up to $125.4 billion. In addition to the $3 billion increase, corporations invested $10.7 billion in expansion, 75% of which was raised internally and the remainder from $800 million in equities and $1.6 billion in long-term debt.**

Net working capital of U. S. corporations, excluding banks and insurance companies, increased $3.0 billion during the second quarter and amounted to $125.4 billion on June 30, 1959, according to estimates made public by the Securities and Exchange Commission. This rise represents the largest quarterly gain in net working capital since the early 1950's, and reflects an increase of $7.7 billion in current assets partly offset by a $4.7 billion increase in current liabilities. Manufacturing groups accounted for $1.7 billion of the $3.0 billion increase in net working capital. Trade firms had an increase of almost a billion accounting for most of the balance.

Corporate holdings of cash and U. S. Government securities amounted to $55.6 billion at the end of June, 1959, an increase of $1.9 billion during the second quarter. The ratio of these two items to total current liabilities, one rough measure of corporate liquidity, amounted to 43% at the end of June.

Other notes and accounts receivable increased $3.8 billion during the second quarter and at the end of June, 1959, amounted to $106.4 billion. Inventories are estimated at a level of $81.8 billion, a quarterly gain of $1.7 billion with [illegible]ufacturing accounting for 7[illegible] 2 billion.

At [illegible] of June, 1959, trade notes and accounts payable totaled $82.8 billion, an increase of $2.7 billion from March 31. Federal income tax liabilities rose $900 million reflecting improved earnings of corporations during the second quarter. Other current liabilities had a quarterly gain of $1.0 billion.

In addition to the $3.0 billion increase in net working capital during the second quarter, corporations invested $6.9 billion in plant and equipment and $800 million in other assets. To finance this $10.7 billion expansion, corporations are estimated to have obtained about $8.3 billion, over 75%, from internal sources—depreciation accruals and retained earnings. External sources provide the balance of funds needed and consisted of $800 million in net new stocks and $1.6 billion from long-term borrowings.

## A. T. Haviland

Amidee T. Haviland associated with Merrill Lynch, Pierce, Fenner & Smith, Incorporated, passed away Sept. 18 at the age of 66.

## Anthony J. Cortese

Anthony J. Cortese, associated with Van Alstyne, Noel & Co., New York City, as a market analyst, passed away Sept. 18 at the age of 49.

# Capital Spending Increase Reported

**September survey made by Securities and Exchange Commission and Department of Commerce reveals scheduled capital spending will be up 9% over last year and about 10% below that for 1957. The last half of 1959 is responsible for the increase with annual rates above the $33¼ billion predicted for this year.**

Business outlays for new plant and equipment are scheduled to be at seasonally adjusted annual rates of $34.3 billion in the third quarter and $35.3 billion in the final quarter of 1959, according to the latest survey conducted jointly by the Securities and Exchange Commission and the Department of Commerce.

Outlays are now expected to total $33¼ billion this year, as compared with $30½ billion in 1958. This is approximately 9% higher than capital outlays last year and about 10% below record 1957 expenditures of $37 billion.

The rates in the second half of 1959 represent some upward revisions of the expenditures anticipated in the survey reported three months ago, with most of the change attributable to the commercial group, chiefly trade, and the railroad industry.

Manufacturers expect to spend about 9% more on plant and equipment in 1959 than in 1958. Both railroad and other transportation companies are anticipating rises of more than one-third. Railroad expenditures last year were extremely low and the current anticipation includes a significant amount of leased equipment, which is being financed by private investors outside the railroad industry. Commercial companies are reporting increases of one-tenth over last year, while mining companies expect outlays to increase somewhat. The small scheduled decline in utility expenditures is attributable to the electric power companies.

A comparison of 1959 anticipation with actual expenditures in 1958 follows:

| | | Anticipated 1959 | | Percent Change |
|---|---|---|---|---|
| | 1958 | Sept. Survey | March Survey | 1958-59 (Latest Survey) |
| | (Millions of dollars) | | | |
| Manufacturing | 11,433 | 12,444 | 12,274 | + 9 |
| Durable-goods industries | 5,469 | 6,020 | 5,827 | +10 |
| Nondurable goods industries | 5,964 | 6,424 | 6,447 | + 8 |
| Mining | 941 | 996 | 932 | + 6 |
| Railroad | 754 | 1,032 | 753 | +37 |
| Transportation, other than rail | 1,500 | 2,024 | 1,900 | +35 |
| Public utilities | 6,088 | 5,840 | 6,143 | — 4 |
| Commercial and other | 9,810 | 10,919 | 9,790 | +11 |
| Total | 30,526 | 33,255 | 31,792 | + 9 |

### Quarterly Trends

Practically all the major industry groups anticipate a higher seasonally adjusted rate of expenditure in the second half as compared with the first half of the year. Total fourth quarter outlays, if realized, will be more than one-sixth higher than in the final quarter of 1958. Spending in the last quarter of this year by manufacturing concerns is expected to be 30% higher than at the low point in the closing quarter of last year. Railroads and nonrail transportation companies are expected to reach their peak in the third quarter of 1959 with some tapering off indicated for the final period.

### Industry Programs

Manufacturers are planning outlays of $12.4 billion in 1959, $1 billion more than in 1958 and about the same as anticipated in earlier surveys this year. Although expenditures by both durable goods and nondurable goods manufacturers were also unchanged from the previous anticipation there were changes for some of the component industry groups. In the durable goods group, iron and steel companies reduced their anticipated expenditures for 1959 while stone, clay and glass companies raised their estimates.

Nondurable goods manufacturers have programmed expenditures of $6.4 billion in 1959, 8% more than in 1958. Petroleum companies have lowered their scheduled 1959 outlays; their $2.6 billion program is 6% above last year. Downward adjustments were also indicated for the chemical industry while the paper industries have raised their spending plans. Most other nondurable goods industries anticipate little change from estimates reported three months ago but all expect increases from last year's outlays.

All nonmanufacturing industries with the exception of electric utilities expect to increase their outlays this year. Record new equipment purchases by the airlines are mainly responsible for the rise in outlays of nonrail transportation companies although steamship lines and trucking companies also are planning increases over last year. The analysis of plant and equipment expenditures is based on estimates by industry groups.

The basic data were derived from reports submitted by corporations registered with the Securities and Exchange Commission; transportation companies under Interstate Commerce Commission jurisdiction; and a large sample of nonregistered companies, unincorporated as well as corporate, reporting to the Department of Commerce. The estimates presented are universe totals based on the sample data, and are compiled from reports on a company basis and not from separate reports for plants or establishments.

## With E. R. Bell Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS City, Mo. — Paul V. Faron has been added to the staff of E. R. Bell Co., 4627 Wornall Road.

## Philip Levine Opens

BROOKLYN, N. Y.—Philip Levine is engaging in a securities business from offices at 16 Court Street.

## Minsky Opens

KEW GARDENS, N. Y.—Robert I. Minsky is engaging in a securities business from offices at 120-60 Queens Boulevard.

## Frank Sassa Opens

MANHASSET, N. Y. — Frank Sassa has opened offices at 112 Andrew Road to engage in a securities business.

## G. A. Pfuhlmann Opens

WHITESTONE, N. Y.—Gustav A. Pfuhlmann is conducting a securities business from offices at 7-44 Leggett Place.

## Progressive Securities

Progressive Securities Planning Corp. is engaging in a securities business from offices at 545 Fifth Avenue, New York City.

# U. S. Foreign Trade Ahead

By ROGER W. BABSON

**Now en route to Europe to check on the reasons and prospects for our foreign trade trend, publicist Babson is of the opinion at this time that our trade need not be in a long period of decline if we solve our wage and materials cost problems. He predicts we will suffer some bad jolts in the next few years and hopes, however, that we will resist higher tariff protection.**

Roger W. Babson

In recent months there has been much concern in business circles, because our exports have not yet recovered from the sharp setback it suffered in 1958. For the present I am much disturbed, although over the longer term we should succeed in again building up our commerce with other nations. At any rate, one reason for my present trip abroad is to secure answers to these important questions. I am landing in Sweden this week.

### Imports Are Increasing

For a good many years, our exports have exceded our imports by a fairly wide margin. Now it is estimated that our shipments of merchandise to foreign markets may top imports by only $1 billion. Last year, U. S. imports had a total value close to $13 billion. This year our imports are expected to reach $15 bilion. This is unfortunate for American labor.

This upturn in imports, however, should not necessarily frighten us. It is a natural outgrowth of our trade policies for the past 25 years. Since 1933, we have been reducing tariffs in an effort to promote international trade and thus help other nations less prosperous than our own. This has helped to attract the current large inflow of goods from abroad.

### Downturn in Exports

Many people think that the formation of the European Common Market, sometimes called Euromart, is chiefly responsible for stopping the long uptrend in U. S. exports. I do not agree. Last year's decline in our exports was due largely to a world recession which accompanied our recession here at home. It was also due, in some measure, to political tensions abroad.

In my opinion, the real impact of Euromart on U. S. foreign trade is yet to come. As this united trade program of France, West Germany, Belgium, Luxembourg, The Netherlands, and Italy gathers steam, many traditional European markets for our goods will absorb less than their usual amounts. Some of these markets will be closed to us entirely. So far, Euromart has not hurt our exports much, perhaps because it has been slow in getting under way.

### Challenge, Not Threat

Our foreign trade need not be in a long-term period of decline. Our trade position is not so much threatened as it is challenged by the European Common Market. It is challenged also by the growing importance of Great Britain. She is now busy with a plan to organize the non-Common Market nations — Sweden, Norway, Denmark, Austria, Switzerland, Portugal, and herself — into a Free Trade area. Finally, our commerce is challenged by the increasing stature of Russia and Japan as exporters in world markets.

We are in the midst of tremendous world economic changes. These will deeply affect our foreign trade. They will also test to the full our technological and industrial capacity. In fact, they may place in danger our position as the economic leader of the Free World. I predict that during the next few years U. S. foreign trade will suffer some bad jolts. Pressure to go back to higher tariff barriers will increase, but I believe we will stand firm. And in the end we can come out on top, provided we do not fritter away our natural advantages by failing to control wage and materials costs.

### What About Russia and Union Labor?

There has been a lot of scare talk with regard to Russia's engaging in an economic war with the West. So far, I see no conclusive signs of such a development. At present, the Soviet Union does not appear to be in a position to wage such an economic war, though she may well desire to do so. In order to be successful in such an enterprise, Russia would have to establish some kind of a gold international equivalent for the ruble.

Right now the foreign trade of the West is much greater than that of Russia. Unless we become panicky, we can hold our own in any such trade contest with the Kremlin. Eventually, our side could be strongly bolstered by a solid trade alliance between the U. S., the Common Market, and the proposed Outer Seven European Free Trade Area now being promoted by Britain. In the meantime we must fight inflation. keep our costs down, and boost our productivity. This is primarily up to our union labor leaders, who appear to be largely responsible for much of our present unemployment.

## Loeb, Rhoades Team Wins Hayden Golf

A four-man team representing Carl M. Loeb, Rhoades & Co. won the honors at the Charles Hayden 31st annual memorial trophy golf tournament held Friday, Sept. 18 at the Montclair Golf Club, Montclair, N. J., with a gross score of 329 with a net of 304. The runner-up team, representing Bear, Stearns & Co. had a gross score of 339.

A two-man team of Drexel & Co. topped this division with a gross score of 167 and net of 151.

Taking part in the competition were 38 teams representing Wall Street firms.

## Coast Exchange Member

LOS ANGELES, Calif. — The election of Robert J. Henderson, President of Holton, Henderson & Co., Los Angeles, Calif., to membership in Pacific Coast Stock Exchange, Los Angeles Division, is announced by Thomas P. Phelan, President of the Division.

The firm of Holton, Henderson & Co. became successor to the Pacific Coast Stock Exchange member firm of Holton, Hull & Co. as of Sept. 1, 1959, and the membership of Mr. Henderson represents the transfer of the membership formerly standing in the name of Charles L. Holton.

Mr. Henderson has been engaged in the securities business in Los Angeles for the past 12 years and was previously Vice-President of Holton, Hull & Co.

## With Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

DURHAM, N. C. — Michael G. Jennings is now connected with Harris, Upham & Co., Trust Building. He was formerly with Reynolds & Co.

# No Short Cuts to Treasury Debt Management!

**The N. Y. Federal Reserve Bank offers the Treasury two bits of advice: one, there is no realistic alternative to paying competitive market rates of interest and, two, today's market squeeze is no excuse for avoiding intermediate and longer term obligations. The Bank in examining alternative recourses, such as tax exempts, increased money supply, open market purchases and forced placement of Treasury issues at artificially low interest rates, warns of inflationary consequences and/or regimentation that would be necessary. It notes, also, that the government itself is responsible for narrowing the interest rate differential between its securities and other corporate and Federal agency securities.**

The September **Monthly Review** published by the Federal Reserve Bank of New York exposes quackish proposals advanced to alleviate the Treasury's financing problems, and shows they offer no easy way out from the stern facts of life which the Treasury must swallow.

The Bank is mindful of the recognition it must give to the Treasury's financing difficulties. It analyzes the causes and cures of the Federal debt management problems with special emphasis given to the added impact of today's tight money squeeze. It warns, however, how these problems impinge upon independent central bank policy decisions, and consequently upon the effectiveness of monetary policy.

The **Bulletin** notes that "management of the public debt has attracted increasing attention in recent years as Treasury efforts to refund outstanding debt and borrow new money, in the face of strong competing demands for funds at all maturities, have been a frequent source of heavy pressure upon the credit markets. Public debt management is a closely circumscribed area of public policy, for it must operate within the bounds of a Treasury surplus or deficit and must take into account general business and capital market conditions. Within these limits, however, debt management decisions are of considerable importance, since different approaches to managing the public debt can have widely differing effects upon the nation's economy. This is true principally because of the size of the debt—it accounts for about one-third of total outstanding debt and is equivalent to about three-fifths of Gross National Product—and because of its key role in the portfolios of so many private and institutional lenders.

"Not all parts of the debt pose equal problems to Treasury debt managers. Of the $285 billion in outstanding debt as of June 30, 1959, $55 billion was held in the United States Government trust accounts (such as the Old-Age and Survivors Insurance Fund) and $26 billion was owned by the Federal Reserve System. Still another $51 billion was in the form of Savings Bonds. Administration of the Savings Bond program, which is of considerable importance in itself, can have a major effect on the magnitude of other debt operations. The decisions involved are of a special nature, however, and this body of debt has been excluded from the discussion that follows. It is upon the remaining $153 billion of publicly held debt, of which all but $5 billion is in the form of marketable securities, that the most difficult problems of Treasury debt management center and through which the major effects of debt operations reach the economy.

"The magnitude of these problems, and the frequency with which they arise, may be gauged from the amount and maturity of each Treasury security offering (exclusive of the regular bills rolled over in the weekly bill auctions) since July 1, 1951, not long after the Treasury-Federal Reserve accord. Treasury flotation of marketable securities has averaged $52.0 billion a year during this period—$13.5 billion a year in new cash borrowing and $38.5 billion a year in refundings. While some new money borrowing is required nearly every year to cover seasonal needs, the total of new borrowing has varied from year to year with the size of the Treasury's cash deficit or surplus, with the attrition on refundings, and with other debt operations. In fiscal 1959, for example, when the budget deficit was $12.5 billion, new money borrowing totaled $26.1 billion, almost twice as much as the average for the period since 1951 and about three times the $8.8 billion total of fiscal 1956. The volume of Treasury exchange offerings has also varied considerably from year to year, depending primarily upon the schedule of maturing obligations. Thus, while the volume of marketable securities issued in exchange for maturing issues was $39.4 billion in fiscal 1959, it was as high as $57.3 billion in fiscal 1958 and as low as $29.0 billion in fiscal 1956.

"In order to avoid adding further to the short-term debt, and thus to the refunding problem, the Treasury has sought opportunities to sell debt of intermediate and longer maturity. The sale of securities of longer term, whenever economic and market conditions warrant such action, is also necessary to avoid the inflationary potential inherent in a steadily shortening maturity structure. However, the Treasury has not found it possible to float many large issues of longer maturity in the period since 1951. With the passage of time moving the entire body of the outstanding debt closer to maturity, therefore, the maturity structure of the debt has shortened. The portion of marketable debt maturing within five years rose from 42.7% in mid-1946 to 63.6% in mid-1951 and to 72.9% on June 30, 1959, despite efforts to avoid this debt shortening.

"A related Treasury objective has been to minimize any inflationary potential that might possibly arise from the acquisition of its securities by certain classes of investors, particularly commercial banks. In these efforts to influence the ownership of the debt, some degree of success has been achieved. Government securities in the hands of commercial banks increased from $58 billion on June 30, 1951 to $61 billion on June 30, 1959, but as a proportion of total publicly held Treasury debt, the amount held by commercial banks was about 30% at both the beginning and end of this interval.

"Numerous elements affect the Treasury's efforts to control the inflationary (or expansive) effects on economic activity of its debt operations and to achieve an appropriate maturity structure.

* * *

"In practice, Treasury financing may increase or decrease the total demands upon the real resources of the economy. Treasury borrowing may add to such demands, and at times to inflationary pressures, by relying upon the creation of new bank credit, which would increase the supply of money. Alternatively, such an effect might be achieved through the activation of otherwise idle cash balances, which would increase the velocity of money. In immediate impact, increases in either the velocity or supply of money tend to have expansive effects. Since, however, an increase in velocity necessarily involves a decline in liquidity, it is likely that debt management policies which result in an increase in velocity are less expansive or inflationary than those which add to the money supply.

"The likelihood of net expansive or inflationary pressures from debt management operations is great when a sizable deficit is to be financed and reliance is placed principally upon funds borrowed from banks or raised by the issue of short-term instruments which serve to activate what would otherwise have been idle balances.

"Treasury borrowing from these purchasers or in these maturity ranges need not necessarily be expansive in character. It would not be so, for example, of short-term securities were purchased with bank reserves or deposits that would otherwise be lent or expended for other active uses. Similarly, sales of long-term securities by the Treasury might have an expansive or inflationary effect if they were purchased, on balance, by banks employing reserves supplied for the purpose by the Federal Reserve System or with excess reserves or deposit balances that would otherwise be idle. Any resulting increase in the money supply or velocity, of course, may or may not be consistent with the objectives of monetary policy at any particular time, depending essentially on whether the chief current problem is inflation or deflation.

"In general, however, it may be assumed that reliance upon new bank credit to absorb Treasury securities is the most expansive (and potentially inflationary) method of finance, and that reliance upon short-term issues, even though they are purchased by nonbanks, is only marginally less so in its effect upon the economy. Short-term securities carry an inflationary potential even after their sale. Unlike longer issues they can soon be turned in to the Treasury for cash and thus provide a natural money substitute for investors wishing to keep, in a near-cash form, reserves or surplus funds that are not immediately needed. To most investors in short-term Government securities, these investments are considered virtually the equivalent of cash, and the decision to purchase them does not take the place of decisions to spend the money in other directions. The purchase of longer term obligations, on the other hand, usually represents a decision that these funds will not be scheduled for other expenditure for an indefinite period ahead. Long-term securities may be 'locked in' the portfolios of their holders by any subsequent rise in market interest rates because of the large capital losses which their sale might entail. Shorter issues, because of their early maturity, do not fluctuate so widely as longs in capital value, and hence may generally be sold with relatively little capital loss if holders should require cash prior to redemption."

**Maturity**

"Expansive or inflationary effects on total demands for goods and services offer one guide line for the choice of an appropriate maturity structure for the public debt, but there are other important elements which must be taken into account. One of these is the Treasury's capacity to repay and retire debt at maturity. If fiscal policy since World War II had provided for gradual repayment of the public debt out of an excess of current revenues, as it did after previous wars, the most efficient policy would have been to space out the maturity of the Treasury's obligations to fit its repayment capabilities. But recent Federal budgets, at least since 1949, have not provided for regular debt repayment, and the defense burden imposed by the cold war probably will continue to make it difficult to achieve a budgetary surplus.[1]"

[1] Of course, to the extent that the Treasury enjoys a cash surplus—even though it does not have a budget surplus—the net shift of debt ownership from the public to the Treasury's trust accounts does represent a form of debt "retirement."

**Other Considerations**

"What then are the considerations—other than inflationary or expansive effects — which may guide the choice of a maturity structure for Treasury issues? There are several:

"(1) Some Treasury borrowing is carried out to meet strictly seasonal needs. These characteristically arise in those months—usually during the first half of each fiscal year—when the uneven flow of Treasury receipts cannot cover the far more regular requirements of expenditures. Since such borrowing—which has averaged about $6 billion in recent years—can be repaid out of an excess of Treasury receipts over current expenditures later in the fiscal year, its maturity dates can be chosen to fit the pattern of expected Treasury revenues.

"(2) Because maturing Treasury issues other than those covering seasonal needs will most likely not be repaid out of current revenues, the Treasury must borrow new funds from the market to replace the old issues when they come due. The availability of intermediate and longer term funds in the market at any one time is generally limited, however, and too frequent maturities may mean, in effect, that the Treasury has no alternative but to offer short-term securities. This can best be avoided by an unbunched, even spacing of maturities which takes into account the market's capacity to accumulate longer term funds.

"(3) Frequent Treasury borrowing operations are also undesirable for other reasons. For the credit and capital markets, because the Treasury is such an important borrower, each Treasury financing operation occasions a period of flux, uncertainty, and 'churning,' as lenders await first the terms of the new offering and then the results of its reception. For the Federal Reserve System, which gives recognition to Treasury financing problems, frequent Treasury trips to market may mean some limitation upon independent policy decisions, and consequently upon the effectiveness of monetary policy. For the Treasury itself, frequent operations may mean that the market is kept off-balance and the difficulty of designing offerings that will be well received is increased. For all of these reasons, it is desirable to issue some part of the Treasury's borrowing in the form of intermediate and longer term securities, which give rise to less rapid turnover of the debt and fewer Treasury trips to the market. To the extent that a substantial short-term debt is necessary to meet the liquidity needs of the economy and must be refunded frequently, interference with the market and with both the Treasury and Federal Reserve System may be held to a minimum through a program for regularizing offerings of short-term issues, thus reducing the market effects of uncertainty as to what the Treasury will offer in exchange. The Treasury has moved in this direction during the past year with the institution of cycles of six-month and one-year issues, in addition to the cycle of regular three-month Treasury bills.

"(4) Treasury borrowing (or repayment) of funds in each maturity range may be expected to have a significant impact upon the availability and cost of funds to other, competing borrowers—such as mortgage borrowers, State and local governments, and corporate borrowers in the longer maturities, for example. While the supply of loanable funds is not fully compartmentalized as to maturity, and borrowers may also vary the maturity area in which they borrow, the magnitudes of Treasury financings are typically so large as to affect materially the supply of funds of that maturity available to other borrowers. The Government may wish, of course, for reasons of social or economic policy, to encourage or discourage expanded investment spending by such other borrowers.

"It has been a shifting combination of all these elements—as an examination of the magnitude, maturity, and timing of each Treasury offering over the business cycle may indicate—that has determined Treasury action over the past few years."

**Interest Rates**

"The most important, most obvious, and most often misunderstood fact of debt management is that, if the Treasury is to sell its securities in a market characterized by the free decisions of lenders and borrowers, it must be prepared to pay a competitive interest rate.

"To be sure, it is theoretically within the Government's power to abridge the freedom of lenders' and borrowers' choice in order to sell its securities at less-than-competitive interest costs. The Government, for example, might require that specified institutions—such as banks or pension funds—hold additional prescribed reserves in the form of Government securities. With this legislated addition to the demand for its securities, it would appear that the Treasury should be able to sell its obligations at lower interest rates. Also, since this method would represent a forced diversion of funds from other uses to the Treasury, and would not require expansion of total credit, it would seem that these lower rates could be achieved without inflationary consequences. The immediately apparent difficulty with this scheme for reducing the Government's interest cost is that, unless the requirement tended to freeze in all, or much the largest part of the publicly held marketable debt, it would be largely ineffective. Prices are set at the margin, and so long as there was a marginal amount of Government debt that had to compete with other demands for funds, the Government's interest rate would have to be competitive. The effective placement of Government securities at artificially low interest rates through administrative force would involve greater and more extensive regimentation of the market than has been seriously contemplated or, perhaps, than has been appreciated by those who propound such schemes.

"Alternatively, the Government might attempt to lower its interest costs through efforts to create a greater demand for its securities by adding to the existing supply of money. To channel funds into the purchase of new Treasury issues, the Government might authorize or require the purchase of its securities with funds previously immobilized, such as the required reserves of banks. Or, lower Treasury interest costs might be achieved by setting for the Federal Reserve System the task of purchasing Government securities at fixed or variable support prices. For such support to be effective, control over the money supply, and any attempt to check inflation, would have to be sacrificed. In effect, Treasury borrowing costs would have been reduced by turning Treasury securities into interest-bearing money. An expectation of continuing inflation would soon be engendered, and other borrowers—e.g., individuals, corporations and municipalities — would have to pay skyrocketing interest rates

to compenstate investors for the anticipated deterioration in the real value of their investment."

**Tax Exemption Alternative**

"If the total supply of money is not to be expanded in an inflationary manner, or if the freedom of lenders' choice is not to be abridged by appropriating to the Treasury a larger share of loanable funds through administrative force, there is no alternative but for the Treasury to sell its securities by competing with other borrowers through competitive interest rates. It may be possible for such rates to be disguised, as through the offering of lower interest rate payments that are either partially or wholly exempted from Federal income taxation, as was indeed the case with Treasury securities before 1941. Such an arrangement, of course, leaves part of the Government's actual interest payments to be paid by the Treasury in sacrificed tax revenues.

"Even without tax exemption or similar devices, the Treasury can usually sell its securities in a free market at costs that are somewhat lower than those which must be paid by other borrowers. The qualities of credit risklessness and a broad secondary market that attach to Treasury securities generally make them salable at interest rates somewhat below those on competing issues of other high-grade borrowers.

"This differential has diminished considerably, however, since World War II, perhaps chiefly as a result of actions by the Government itself. Growing confidence in the Government's assumption of responsibility for high levels of employment has, in the eyes of many investors, taken much of the risk out of top-grade corporate obligations. At the same time, various Government programs for the insurance or guarantee of mortgages and other types of debt instruments have brought these instruments to almost the same level of safety, in investors' eyes, as direct Treasury obligations. Long-term Government securities have consequently come to enjoy a far smaller interest rate differential relative to other high-grade securities. It should also be noted that the rate of interest the Treasury must pay and its relationship to other interest rates reflect closely the demand and supply in the capital market, in which both current and expected Government borrowing needs play a very significant part. Thus, the large supply of Government securities resulting from the war and the frequent and large Treasury financing operations in recent years have, themselves, tended to reduce the competitive rate advantage of Government obligations.

"In short, the Treasury has no realistic alternative but to pay competitive market rates of interest in financing the public debt. Efforts to avoid paying market rates must involve inflation of the money supply or interference with the freedom of investors' decisions. And such devices as tax exemption, in addition to having a perhaps unintended income redistribution effect, do little but conceal the rate of interest actually paid by the Treasury. Moreover, if the Treasury is to prevent its management of the debt from having inflationary consequences, it must resist the movement of the debt toward a shorter maturity structure by regularly selling—at competitive rates of interest—intermediate and longer term obligations. These are the hard facts of Treasury debt management."

## Shearson, Hammill Adds

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mass.—Norman I. Barstein has been added to the staff of Shearson, Hammill & Co., Third National Bank Building.

# The Construction Outlook

By WALTER E. HOADLEY, JR.*

*Treasurer, Armstrong Cork Company, Lancaster, Penn.*

**The bright and not so bright prospects in the construction industry are set forth by an economist with a vested interest in the sales outlook for the industry. Dr. Hoadley, Jr., foresees a 10-15% drop in new housing volume in 1960, further growth in residential repair and modernization, and brightest prospects in the non-residential field. One of the interesting trends detected is the increasing demand for higher quality housing and that slowly growing housing vacancies do not pose a threat to new construction in most localities. The small boom in new industrial building is seen as part of general recovery in plant-equipment spending.**

Total construction — one of the most important expansionary forces during the recent general business recession and recovery —is now beginning to level off. Nevertheless construction will continue to serve as a strong sustaining force in the national economy over the year ahead.

W. E. Hoadley, Jr.

New building, and especially new home construction activity, can now be seen to fluctuate more narrowly between a "politically acceptable floor" and a "tight money ceiling." Construction is thus tending to become a much more stable industry than generally recognized. Variations in construction activity also seem to be increasingly in the opposite direction of the movement of general business. Just how desirable this essentially new role for construction may be for the nation, the industry, investors, and the consuming public is open to serious question. But there is now little to suggest that any change in the current role of building in the national economy is in the offing.

New home building, which rose rapidly in 1958 from the "politically acceptable minimum" of roughly one million starts in part because of Federal action to ease mortgage and allied credit conditions, has now definitely hit the "tight money ceiling." Outstanding financial commitments virtually assure a persistently high level of residential construction over the remainder of 1959, but some downward drift in new home building activity already is apparent.

**Drop in New Housing**

Looking to 1960, lessened availability of funds and rising interest rates now point to a 10-15% drop in the volume of new housing. The actual volume will depend heavily upon (1) the competitive success of mortgages in the long term capital markets of the nation in the face of heavy demands from both public and private sources; (2) the general level of savings and the extent to which they take the form of shares in savings and loan associations and time deposits of commercial and mutual savings banks which together regularly provide about two-thirds of the funds used to finance new housing; and (3) the success which prospective home buyers have in disposing of their present older homes as a prerequisite to making commitments for new ones. Problems of housing turnover or "trade-in" will continue in 1960 to offer some of the most important deterrents to the fulfillment of new home buying intentions and plans of thousands of families anxious to find better living quarters.

Current studies reveal a strong and increasing demand for higher quality housing by families in all sections of the country. This is particularly true in the economically powerful and rapidly growing annual income brackets above $7,500. These families now account for nearly 30% of all families and about 55% of the nation's purchasing power.

Housing vacancies are edging up slowly but commonly involve poor quality dwellings and still do not pose a threat to new construction in most localities. The chief threat to new housing over the year ahead lies in the general area of money availability and cost rather than in any apparent lessening of interest by prospective new home buyers.

**Upswing in Repair and Modernization**

The outlook for repair and modernization activity is for further growth over the next 12 months. There are some scattered signs, however, that the growth rate in the home fix-up field is slackening, especially among the do-it-yourself enthusiasts. One of the principal reasons for this reduced expansion pace is the rising desire among many families, especially with teenagers, to find entirely new living quarters. This is a further reflection on the strong underlying desire for new and better homes. Rising incomes, moreover, are increasing home owner interest in having professional installations of new building materials. "Do-it-yourself" is still a powerful market force and will remain so for the indefinite future but "do-it-for-me" services are reporting new vigorous growth.

All in all, the outlook for residential construction is encouraging but it will be difficult for the market in general to achieve important gains over the coming year. The most likely prospect will be a moderate decline in new home building and a slight expansion in repair and modernization work.

**Upswing in Non-Residential Construction**

Some of the brightest prospects for construction during the remainder of 1959 and in 1960 are to be found in the non-residential field. Commercial building is quite strong and continuing to expand as new office structures, stores, and recreational projects are being authorized on a wide front. At least a small boom in new industrial building now seems to be getting under way as a part of the general recovery in new plant and equipment expenditures.

The rise in the construction of religious buildings seems almost certain to persist. Public and allied institutional buildings have held at a fairly steady level in recent months and no important changes are on the horizon. The effect of local citizenry objections to rising taxes is reflected in the lagging volume of new educational structures in many sections of the county. The overriding of the presidential veto of the public works bill foreshadows some increase in heavy engineering construction in contrast to the slackening trend which has been evident during the past year.

Except for some specialized materials with attractive cost-saving, installation and design features, the building materials industry seems to have ample capacity to meet all requirements during the coming year. Competition among home builders can only intensify in the face of tightening money conditions. In large contract construction where activity has been reduced since the recession, an upturn is in prospect, with some resultant firming in contract prices. The persistent rise in labor costs in the building field offers little encouragement for any significant improvement in overall building costs during the coming year.

In summary, while much of the recent overall expansionary force in construction has now been lost, many dynamic changes are in the offing. These foreshadow many growing market and profit opportunities ahead.

*From a panel discussion by Dr. Hoadley, Jr. at the 7th Annual Marketing Conference, National Industrial Conference Board, New York City, Sept. 18, 1959.

# NSTA Notes

**NATIONAL SECURITY TRADERS ASSOCIATION**

The following additional registrations have been made for the National Convention of the National Security Traders Association, Inc. to be held at Boca Raton, Fla., Nov. 1-5, 1959.

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|---|---|---|
| *P. A. Kosterman | *Zilka, Smithers & Co., Inc.* | Portland, Ore. |
| *Allen Crawford, Jr. | *French & Crawford* | Atlanta, Ga. |
| Donald J. Hall | *Wm. E. Pollock & Co., Inc.* | Miami, Fla. |
| J. Ries Bambenek | *Dallas Union Securities Co.* | Dallas, Texas |
| Russell Wardley | *Fulton, Reid & Co.* | Cleveland, Ohio |
| *Mark J. Crowley | *H. M. Payson & Co.* | Portland, Maine |
| *Harry J. Hudepohl | *Westheimer & Co.* | Cincinnati, Ohio |
| John C. Hecht | *Dempsey, Tegeler & Co.* | Los Angeles, Calif. |
| *S. Richard Harris | *Courts & Co.* | New York, N. Y. |
| *William Raffel | *Raffel & Co.* | Philadelphia, Pa. |
| *John R. Maher | *John R. Maher Associates* | New York, N. Y. |
| *Robert I. Herzog | *Herzog & Co.* | New York, N. Y. |
| J. F. Stevens | *Waddell, Reid Inc.* | Kansas City, Mo. |
| *William B. Denney | *Dempsey-Tegeler & Co.* | Chicago, Ill. |
| Louis A. Gibbs | *Laird, Bissell & Meeds* | New York, N. Y. |
| *Richard E. Owen | *Crowell, Weedon & Co.* | Los Angeles, Calif. |
| *William J. Burke | *May, Gannon Inc.* | Boston, Mass. |
| *Philip M. Young | *Refsnes, Ely, Beck & Co.* | Phoenix, Ariz. |
| *Ralph R. Hawxhurst, Jr. | *Bacon, Whipple & Co.* | Chicago, Ill. |
| *F. Coit Williamson | *Schmidt, Roberts & Parke* | Philadelphia, Pa. |
| *James E. Jones | *Gregory & Sons* | New York, N. Y. |
| *Rubin Hardy | *The First Boston Corp.* | New York, N. Y. |
| Henry J. Richter | *Scherck, Richter Co.* | St. Louis, Mo. |
| *Richard Walsh | *Newhard Cook & Co.* | St. Louis, Mo. |
| *Wm. L. Wright | *Lester, Ryons & Co.* | Los Angeles, Calif. |
| *Walter R. Johnson | *G. A. Saxton & Co. Inc.* | New York, N. Y. |
| *E. E. Parsons, Jr. | *Parsons & Co., Inc.* | Cleveland, Ohio |
| *Lester Frenkel | *Gersten & Frenkel* | New York, N. Y. |
| *Jack A. Moss | *The Kentucky Co.* | Louisville, Ky. |
| *Arthur C. Murphy | *A. C. Allyn & Co., Inc.* | Boston, Mass. |

*Mr. and Mrs.

**DALLAS SECURITY DEALERS ASSOCIATION**

The Dallas Security Dealers Association will hold their annual Field Day October 2 and 3 at the Ridglea Country Club. On Friday there will be a golf tournment, followed by cocktails and dinner. On Saturday the group will attend the SMU-Navy football game in the Cotton Bowl. Tariff for out of town guests is twenty-five dollars for both days (exclusive of hotel room). Further information may be obtained from J. Ries Bambenek, Dallas Union Securities Co., Inc., President of the organization.

## Southwestern IBA Fall Outing Annual

KANSAS CITY, Mo. — The Southwestern Group of the Investment Bankers Association will hold their sixth annual fall party Oct. 1 and 2 at the Hotel Muehlbach and the Oakwood Country Club. Tariff for guests is $40. Further information may be obtained from E. Stephen Brown, Barret, Fitch, North & Co., Kansas City.

# The Market...and You

*BY WALLACE STREETE*

Of the five market sessions beginning last Thursday (Sept. 17), declines were registered in four. However, because of Wednesday's strong rally, the net loss for the week was held to just under one per cent. Again disclosed as a two-way street, the list shows a decline of about 9% from its peak of all-time registered Aug. 3 last.

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As is customary at the time of a break, the commentators are trotting out the "causes," namely, the high money rates, the low stock-bond yield ratio, the steel strike, and disarmament as expounded by our most important "foreign visitor."

* * *

The "specter" of disarmament with curtailed defense spending is the only new one of those factors. The increase in money rates and the steel strike were with us during the market's ascent to its recent all-time high.

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Reliance on the relation of stocks to bond yields, long recognized as a significant market bellwether, has been discouraging to stocks for sometime past now.

* * *

The stock-bond yield ratio, after years of stability, began its long decline in December 1950. From 2.92% at that time nine years ago, it has gradually fallen to the current "deficit" level of 0.64%. Thus, the stock market had run through a series of red lights before it was finally caught in this month's decline.

**Bank Stocks—A Silver Lining**

Beneficiaries of the tighter-money wind that is blowing so chilly in other directions, are the banks. Particularly favorable is the recent and present course of loans and investments, with the great rise in short-term rates particularly helpful in roll-over operations from existing long-term holdings. This is expected to back increased earnings, irrespective of possible further rise in rates. In any event, 1959 earnings are expected to show a 25% increase over 1958.

* * *

Similarly, higher money rate beneficiaries are the life insurance companies, because of the push given to their investment income.

**Attraction of Savings and Loan Equities**

Despite their tax and other legislative difficulties, and instead following their remarkable growth qualities, the savings and loan companies are eliciting ever increasing investor interest. Furthermore, the important companies operating in California, derive special benefit in that it is one of the states wherein the absence of mutual savings banks eliminates the important competition from that source. Fastest growing company there is Great West Financial, which has made tremendous progress, both business- and market-wise over the past five years. From 1955 through 1958 its per share earnings doubled to $3.37, with a further rise to $5.50 expected for 1959. The shares (split 2½-for-1 last year) now sell at 47 on the American Stock Exchange.

**A Perfect Score in Diversification**

Philadelphia and Reading's report of substantial progress in its joint effort with the General Dynamics Co. to accomplish the conversion of coal waste to profitably marketable chemicals, marks the former as a prospective 100% batter in the Diversification League. Four months of intensive preparatory work since May, when the proposed joint venture was announced, have included successful completion of commercial scale testing programs. These will provide the manufacture of key products from feed stocks based on P. & R.'s vast reserves of anthracite refuse materials. The company announces that previous analyses pointing to the availability of substantial markets for the chemicals to be produced, have been confirmed. All preparatory activities will be concluded in four to six weeks. In any event, Philadelphia is not dependent on the success of this "glamor" item; since its activities in the textile and boot industries go on with steady and substantial profits.

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Incidentally, its conversion of waste products is part of a growing movement. Only this week William Zeckendorf, Sr. ("Mister Webb & Knapp") announced the formation of a new venture to convert waste materials into "gold," the gold in this case being steel.

**A Railroad Outside the Dog-House**

Against the background of the railroads' return to the market "dog-house," Atchison is eliciting considerable "bargain hunting" interest. The "story" on this Blue Chippy carrier is that its price is well justified by its current value with elements of future growth thrown in free of charge. The road possesses the unique and permanent advantage of an exceptionally long average haul. Last year it abandoned three million unprofitable passenger miles, with further abandonments of deficiteering branch lines "in the works." The company's other-income derived from its large substantial stake in oil, coal, lumber and mining operations, furnishes a strong fillup to its earning power — present and future. Its per-share income was $2.30 in 1957, $2.51 in 1958, with $2.75 expected in 1959. With an exceedingly strong financial position, and healthy capitalization, its price-earnings ratio of 10-1 would seem to justify its current market valuation of 26.

* * *

Apart from their after-strike recovery prospects, the steel stocks have been eliciting long-term investor interest. Traditionally thought of as cyclical, the industry has been gradually shifting over to the growth category. Most of the issues remain under the 15-to-1 price earnings ceiling, with Wheeling, selling at 60, down at only 9.7 times its estimated 1959 earnings.

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**The Technicians on Edge**

The technicians, deriving their guidance from various "break-through" and "moving-average" signals, are closely watching various support points closely below the present D. J. level of 615. The fraternity is practically unanimous in the conviction that the market's performance over the next fortnight will be crucial in disclosing whether the bull market is a closed item.

*[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]*

## Albertson's Inc. Stock Offered

J. A. Hogle & Co., of Salt Lake City, and New York, on Sept. 22 offered a new issue of 200,000 shares of Albertson's, Inc. class B (non-voting) common stock (par $1) at $11 per share. An additional 100,000 shares are being offered to employees, officers and directors of the company.

The net proceeds of the offering will be used for general corporate purposes, including the outfitting of new supermarkets.

The office of the company is located at 1610 State St., Boise, Idaho.

### Joins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Mervin R. Lell has joined the staff of Dempsey-Tegeler & Co., Midland Savings Building. Mr. Lell was formerly with the First National Bank of Denver.

### With Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—William E. Burke is now with Merrill Lynch, Pierce, Fenner & Smith Incorporated, Dixie Terminal Building.

# Businessmen in Politics

By LAWRENCE I. WOOD*

*Labor and Government Relations Counsel, General Electric Company, New York City*

**General Electric's legal expert, drawing on his firm's experience, outlines the kinds of political activity businessmen in the capacity of plant managers can and should do, and then discusses the political participation of businessmen in their individual capacity as citizens in partisan politics. Regarding the former, stress is placed on active manager's participation rather than reliance on the firm's headquarters' Ivory Tower, and on the making this part of company's time with company money on a non-partisan basis.**

As corporations become more effective politically, it is virtually inevitable that their right to act and speak in the political arena will be more thoroughly tested than has been the case thus far.

Lawrence I. Wood

The absence of any number of decided cases affords mute testimony to the fact that the law in this area is still somewhat uncertain and highly underdeveloped. We should, however, recognize that this situation is not likely to continue much longer.

The General Electric Co. undertook approximately a year and a half ago to engage in certain of those types of political activity which we believe are essential and proper for businessmen. I should explain at the outset that we observe a sharp dichotomy between what is done by a manager as an employee of the company, on behalf of the company, and what he does as an individual on his own time and initiative. To explain our company's program, it is essential to give emphasis to this dual aspect. Without an appreciation of the distinction there is inevitable a degree of confusion both as to the legal and the ethical propriety of any program for political activity by corporate personnel.

**A.**

Our management believes that there are three kinds of political work which businessmen, in their capacity as managers, may and indeed ought to do. Briefly summarized, these are as follows:

(1) That work in the local plant community which is focused on the improvement of the business climate in the plant community and in the state.

(2) Participation in the legislative process — both state and Federal — providing spokesmanship on the controversial issues which may affect the business situation or the economy as a whole in an effective and constructive fashion.

(3) Providing the inspiration, the leadership and the means so that managers at all levels within our companies can understand the art and practice of politics.

Last year the company set up a new and distinct component at headquarters to serve as the catalyst in our government relations work.

We are certain that effectiveness in public affairs does not come from the work of a few expert specialists in the company or from expert lobbyists or the occasional public speeches of top management people. We believe that the company can make a constructive contribution to good government only if its managers throughout the country accept these three kinds of work as *their* responsibility and do their best to encourage other businessmen to do likewise.

And it is, therefore, not the job of the new Government Relations Service in General Electric to *do* this work, but rather, to provide the research and planning necessary to help each of the decentralized General Electric managers to be as effective as possible. Any reliance on a collection of a few universal geniuses from some headquarters' Ivory Tower is certain to be a waste of time and unworkable.

This political work must be primarily based upon the employee's active participation and his constituent - representative relationship with public officials.

I would like to develop these three classifications of political work and then illustrate the importance of their interrelation.

The improvement of the business climate in a plant community is certainly not exclusively a political kind of work. There are many reasons for the improvement of the business climate in the local plant communities.

This involves the analysis of a large number of factors such as local and state business taxes—too high or too low (and taxes can be too low)—fairly and equitably applied or punitive. What about schools and churches and libraries? Are there good opportunities for young people to go to college? What about law enforcement, is it fair and equal no matter who is the violator? Are there adequate hospitals? How are the traffic and transportation facilities?

In all, a suggested list of 187 factors can be marked favorable, average, or unfavorarble. This analysis leads to the selection of several unfavorable factors and the development of a definite plan of attack for improvement. General Electric managers have found this an inspiring kind of work and have had some real success when joining with their industrial neighbors and other businessmen in the community, each making his own evaluation of the factors. We believe this kind of "do-it-yourself" work is an essential foundation - builder for over - all effectiveness in public affairs.

In the second classification, I labeled the political work for managers as active concern with the legislative process. In this area we are trying to identify the legislative opportunities or problems before they become crises; seek out opportunities to make a constructive contribution to legislation—rather than just being opposed to it; develop knowledge and understanding on the part of General Electric managers as to how to be effective in legislative work; provide each plant management with an analysis of the background, education and record of his Congressman and Senators, and important economic factors in the state or district.

We will communicate on the issues in a manner to encourage General Electric Managers to evaluate the impact for or against the public interest in the welfare of the business system, to speak up—to express their viewpoints—in the community, in the state, to their Congressman and to all of the employees in their plants through works newspapers and other means.

The third kind of political work for managers is to provide the inspiration, the leadership, the means for all levels of management to understand the political system of their community and county and state. Practical politi-

*Continued on page 37*

*From a talk by Mr. Wood before the American Bar Association's Committee on Corporate Law Departments, Miami, Fla.

# Canada: 1959 A Milestone Year

*Continued from first page*

and Quebec, in hydro-electric plants, aluminum manufactories, and paper mills that turn out 50% of the world's newsprint. England must indeed seem like "a tight little island" to the Royal Couple after traversing the fabulous stretches of Canadian real estate.

### World's Soundest Dollar

After this introductory tribute to visiting Royalty and to international amity we should now proceed to a current look at the flora and fauna of the Canadian economy. First, about national finances. The Canadian dollar is now the choicest currency in the world. The debt conversion operation, completed in the summer of 1958, provided more maneuverability to the Treasury. Canada has proceeded with good sense, applying the surpluses of boom years toward reduction of debt, and has not been averse to incurring a budget deficit in times of less economic buoyancy. As in the United States, with a sizable budget deficit, there was some apprehension about inflation—and resolute corrective effort was made via the interest rate. Thus the posting of a 6.41% rediscount rate by the Bank of Canada in mid-August tempered speculative enthusiasm and contributed to a more stabilized financial climate.

Canadian banks have seldom looked better. Earnings are excellent, deposits have been rising and substantial new buying of bank shares has come from reinvestment of funds received by investors in certain life companies, when these institutions were mutualized.

### The Extractive Industries

In the oil and natural gas industry, for the first seven months of 1959, there was considerable uncertainty about such things as exports, rates of return on pipelines, and whether there might be a petroleum pipeline built from Alberta to the East. With the appointment of the National Energy Board in mid-August, however, new assurance came into the markets, especially in natural gas securities. The prospect of a fair return on pipeline capital, the advancing of programs looking toward sensible gas export arrangements, and the working toward completion of the Trans-Canada pipeline brought renewed interest in such shares as Alberta Gas Trunk, Union Gas, Northern Ontario, Canadian Export, West Coast, Consumers Gas and Great Northern.

In oils some of the better performers include North Star, Calgary and Edmonton, British American and Texaco. And there were rising estimates of the through-put for Trans-Mountain Pipeline leading to a better following in that issue.

In metals results so far this year have been confusing. International Nickel has led the field in profitability. Many coppers — Consolidated, Hudson's Bay Mining, Opemuska, Maritimes, Temagami and some more speculative newcomers have been patiently waiting for a pick up in price to past 32 cents or a strike in other climes that might lead to that. The industry yearns for such a sturdy copper demand as carried a glacier-packed hopeful, Granduc, to $8 a share a few years back. Lead and zinc are also waiting patiently for better metal prices.

Mere mention of the price of gold will still get you an argument anywhere from Sherbrooke to the Yukon. No miner or gold shareholder perceives the slightest reason pegging gold at $35 an ounce for 25 years in a row. But that is still the fact; gold shares, with few exceptions, remain unvolatile and gains in earnings must be achieved from richer ores or lower-cost mining techniques. Giant Yellow Knife, Hollinger, Kerr-Addison, Cochenour Willans are among the equities most respected by Canadian gold fanciers.

### Major Iron Ore Deposits

In iron ore the dreams of a dozen years ago are now being realized. Ungava-Labrador is proving up its vast reserves and is rapidly becoming one of the major iron producing sections of the world. The Seaway is, for this Labrador trade, a golden boom and by the mid-Sixties 25 million tons of ore a year may be thus water borne. Hollinger Consolidated, with plenty of gold, also has large interests in Labrador and is a favorite iron equity. In Southern Ontario, Steep Rock has proved an interesting speculation because of the quantities of ore located, and cheap water transportation available to the big steel mills on the Great Lakes. 1959 is witnessing big forward steps in Canadian iron.

In Canada two dollars out of every three go into consumer spending for goods and services. So it is that with steadily rising per capita income and higher living standards, Canadian merchandizing organizations are going great guns. There's Simpson's Ltd., a fine department store chain which shares with Sears Roebuck a half interest in the big mail order company, Simpson-Sears Ltd. Dominion Stores is the leading food chain while Loblaw Groceterias gives it a good competitive run. Each is great for give-aways, and a lucky customer of either may find himself suddenly winning a mink coat or a ranch house. Woodward's is going big on the West Coast, while Steinberg's Ltd., whose common stock has recently become a public issue, is believed to have about the highest merchandizing profit ratio.

### Telephones and Transportation

Seventeen and a half million Canadians like to communicate with each other, and with folks in the States—which is the basis of a vast business done by Bell Telephone of Canada. Telephones in service have doubled in 10 years and earning power of Bell has steadily risen. Per share for 1959 should reach $2.40, up from $2.15 last year. Stockholders, for whom the Bell toils, should be pleased! British Columbia Telephone, across the continent, will report a remarkable increase in earnings this year.

Canadian Pacific Railway is notable for its vast transportation system—railways, airlines, steam boats—its hotels, its big controlled mining enterprise, Consolidated Mining & Smelting and millions of acres of oil, timber, and mineral laden land. It is also, outside the U. S., the only major railroad not government owned. As an across the board investment in Canada, Canadian Pacific is perhaps the most complete.

Had time permitted we'd have liked to talk at length about Canadian Breweries, the largest in the world, Aluminium Ltd. and its rising output; about Ford Motor Co. increasing its interest in Ford of Canada to 75% (from 27½%); about the great steel companies; about some exciting new land companies; about the great credit companies such as International Acceptance and Traders

Finance, about the four or five big paper companies that make it possible for us to have a newspaper with our morning coffee; about all the uranium that's been produced; about juicy steaks in Calgary; undulating wheat fields in Manitoba, and British Columbia brown bears three times as big as Khrushchev. But time prevents.

### Ideal Investment Climate

So we conclude with a 21 gun salute to Canada, its economic resiliency, the zeal and ability of its people and the exciting unfolding of its destiny under a government that recognizes the dynamic forces for good, for material comfort, for peace, prosperity and progress, inherent in the free enterprise system. A magnificently solvent banking system, a super-sound dollar, broad markets implemented by major and regional Stock Exchanges, have made for an ideal investment climate in Canada—where sound companies, such as those below can earn and pay continuous dividends for generations.

**TABLE I**

# CANADIAN

**(Listed and Unlisted)**

## *Common Stocks*

**On Which**

**CONSECUTIVE CASH DIVIDENDS**

**Have Been Paid From**

## *10 to 131 Years*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ §— | | |
| **Abitibi Power & Paper Co., Ltd.** Newsprint and allied products | 11 | 1.70 | 38¾ | 4.4 |
| **Agnew-Surpass Shoe Stores, Ltd.** Makes and distributes shoes through retail chain | 26 | 0.60 | 17½ | 3.4 |
| **Aluminium Ltd. new** Largest producer of aluminum ingot in the world | 21 | 0.65 | 33¾ | 1.9 |
| **Andian National Corp., Ltd.** Operates oil pipe line in Colombia, S. A. | 16 | *0.30 | 6 | 5.0 |
| **Anglo-Canadian Pulp and Paper Mills, Ltd.** Newsprint and allied products | 14 | 2.00 | 41½ | 4.8 |
| **Anglo-Huronian Ltd.** Holding & operating co.—chiefly interests in Can. gold mining | 20 | 0.50 | 12⅜ | 4.8 |
| **Anglo-Newfoundland Development Co., Ltd. "Ord."** Newsprint and allied products; also mining interests | 15 | 0.20 | 7¼ | 2.8 |
| **Argus Corp., Ltd.** Investment co.—manufacturing & merchandising interests | 13 | 0.90 | 38 | 2.4 |
| **Asbestos Corp., Ltd.** Mining & milling of asbestos fibre | 22 | 1.85 | 29½ | 6.3 |
| **Ashdown Hardware Co., Ltd., J. H., "B"** Large wholesale and retail business in general hardware | 22 | 0.72 | 14½ | 5.0 |
| **Aunor Gold Mines Ltd.** Ontario gold producer | 19 | 0.16 | 3.05 | 5.2 |
| **Auto Electric Service Co. Ltd.** Service distributors of automotive electrical carburetors & auxiliary equipment | 13 | 1.20 | 27½ | 4.4 |
| Bank of Montreal Operates 753 branches and agencies throughout the world | 131 | 1.75 | 59 | 3.0 |
| BANK OF NOVA SCOTIA Operates 550 branches and sub-offices throughout the world • See Bank's advertisement on page 20. | 127 | 2.25 | 76⅜ | 2.9 |
| **Banque Canadienne Nationale** Operates 587 branches in Canada | 78 | 1.75 | 56½ | 3.1 |
| **Barber-Ellis of Canada, Ltd.** Stationery and printers' supplies | 29 | 4.50 | b55 | 8.2 |
| **Barymin Explorations Ltd.** Holding company, prospecting and exploring various properties N W Ontario. | 10 | 0.03 | 0.61 | 4.9 |
| **Beatty Bros. Ltd.** Manufacturers of barn and stable equipment, household equipment, pumps, etc. | 20 | 0.35 | 9⅛ | 3.8 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ §— | | |
| **Beaver Lumber Co. Ltd.** Lumber & building supply retailer, 274 branches in Canada | 16 | †1.25 | 26½ | 4.7 |
| **Bell Telephone Co. of Canada** Most important telephone system in Ontario and Quebec | 79 | 2.00 | 42⅜ | 4.7 |
| **Biltmore Hats Ltd.** Men's fur felt and wool felt hats | 26 | 0.40 | b7½ | 5.3 |
| **Bird Construction Co. Ltd.** Engaged in general building and road construction with branches in several cities in central Canada. | 11 | 2.80 | b50 | 5.6 |
| **Brazilian Traction, Light and Power Co., Ltd. "Ord."** Diverse utility interests in Brazil | 19 | 0.25 | 5½ | 4.5 |
| **British American Bank Note Co. Ltd.** Makes bank notes, bonds, revenue stamps, and similar items | 25 | 2.25 | 49½ | 4.5 |
| **British American Oil Co. Ltd.** Petroleum production, refining, distribution | 50 | 1.00 | 37 | 2.7 |
| **British Columbia Power Corp. Ltd.** Holding co., controlling B. C. Electric Co. Ltd. | 42 | 1.40 | 37½ | 3.7 |
| **British Columbia Telephone Co. "Ord."** Second largest privately owned telephone system in Canada | 44 | 2.00 | 43½ | 4.6 |
| **Brock (Stanley) Ltd. "B"** Laundry supplies, hardware, plumbing supplies, etc. | 13 | 0.40 | b11½ | 3.5 |
| **Building Products Ltd.** Asphalt roofing, flooring and insulation | 33 | 1.80 | 33¾ | 5.3 |
| **Bulolo Gold Dredging, Ltd.** Operates a gold dredging project in New Guinea | 12 | 0.40 | 3.80 | 10.5 |
| **Burlington Steel Co. Ltd. new** Steel rolling mill & related oper. | 23 | 0.85 | 19 | 4.5 |
| **Burns & Co. Ltd.** Meat, lards, butter, poultry products, etc. | 13 | 0.60 | 12½ | 4.8 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ §— | | |
| **Calgary & Edmonton Corp., Ltd.** Leases oil and gas drilling rights in Alberta | 23 | 0.10 | 26 | 0.4 |
| **Canada Cement Co., Ltd.** Portland cement | 10 | 0.375 | 10⅞ | 3.4 |
| **Canada & Dominion Sugar Co., Ltd.** Cane and beet sugar refining | 29 | 1.05 | 19 | 5.5 |
| **Canada Bread Co., Ltd.** Bread and cake wholesaler and retailer | 16 | 0.10 | 4.50 | 2.2 |
| **Canada Flooring Co. Ltd. "B"** Specializes in manufacture of hardwood flooring of all kinds | 10 | 1.00 | 15 | 6.7 |
| **Canada Foils, Ltd.** Oldest and largest foil converting plant in Canada | 11 | 0.80 | b24½ | 3.3 |
| **Canada Iron Foundries, Ltd.** Holding and operating company—machinery & equipment interests | 15 | 1.50 | 33 | 4.5 |
| **Canada Life Assur. Co.** One of the largest Canadian companies underwriting life, accident and sickness insurance | 105 | 4.60 | b216¾ | 2.1 |
| **Canada Malting Co., Ltd.** Malt for the brewing & distilling industries | 32 | 2.00 | 68¾ | 2.9 |
| **Canada Packers Ltd. "B"** Full line of packinghouse prods. | 24 | 1.75 | 53½ | 3.3 |
| **Canada Permanent Mortgage Corp.** Lends on first mortgage security, issues debentures, accepts deposits | 104 | 2.00 | 67 | 3.0 |
| **Canada Steamship Lines, Ltd.** Freight and passenger vessels: other diverse interests include hotels | 17 | 1.40 | 47½ | 2.9 |
| **Canada Vinegars Ltd.** Vinegar and apple products | 35 | 1.35 | 34 | 4.0 |
| **Canada Wire and Cable Co. Ltd. "B"** Copper and steel wires and ropes | 21 | 0.70 | 13¾ | 5.1 |
| **Canadian Bank of Commerce** Operates 793 branches throughout the world | 92 | 1.70 | 61½ | 2.8 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

*Continued on page 20*

# Interest Rates, Bond Market And the Business Cycle

By DR. MARCUS NADLER*

*Director of Institute of International Finance and Professor of Finance, New York University and Academic Dean, Investment Seminar of New York State Bankers Association*

**Tight money can be expected to last until the first quarter of 1960 when easier money market conditions will occur and short-term as well as long-term interest rates will level off. In addition, Dr. Nadler expects some cyclical weaknesses during 1960 the extent of which will indicate the course of the boom. He cautions that a serious stock market reversal would change the interest rate picture, and notes that a continuing decline in equities would favorably affect bond prices.**

In addition to the seasonal increase in the demand for credit from industry and trade and the expected expansion in consumer credit, the Treasury will have to sell between $5 billion and $7 billion of short-term obligations to meet its current cash requirements during the balance of 1959. Federal Reserve credit policies will continue to be guided by the desire to combat inflationary pressures and to maintain confidence in the international position of the dollar.

Marcus Nadler

The failure of Congress to practice fiscal discipline, its unwillingness to permit the Treasury to increase interest rates on marketable bonds with a maturity of more than five years, the rather gloomy budgetary outlook, and the constant increase in both wages and prices even during the 1957-58 recession have cast a shadow on the integrity of the dollar. A firm credit policy of the central bank, not swayed by political pressures, will go a long way toward dispelling the fears about the future of the dollar that may exist at home and particularly abroad.

Money market conditions should become somewhat easier during the first quarter of 1960. Not only will there be a seasonal decline in the demand for credit for business purposes but also the Treasury will be in a stronger position. Instead of being a constant borrower it will repay considerable amounts of short-term obligations.

During 1960 some weaknesses may appear, the extent of which will indicate whether the boom will continue throughout 1960 or, whether business activity will level off and then decline. The volume of consumer credit cannot increase indefinitely at the rate of the past few months. As the policy of credit restraint is continued, the reduced availability of bank credit is eventually bound to have an effect on the accumulation of inventories and on the ability of builders to obtain construction loans. Moreover, the reduced supply of mortgage money will adversely affect home-building and the high rates of interest may slow down the offerings of tax-exempt obligations and thus curtail public works. International competition will increase and will be felt not only in foreign markets but also at home, particularly if the settlement of the steel strike should lead to a renewal of the wage-price spiral.

It is quite possible that interest rates—short-term as well as long-term—will soon reach their peak during the present cycle and then level off. A continued tendency for the equity market to decline would lead to a shift from stocks to bonds, which would have a favorable effect on bond prices.

*From a talk by Dr. Nadler before the Investment Seminar of the New York State Bankers Association, New York City, Sept. 18, 1959.

## L. A. Bond Club To Hear on Space

LOS ANGELES, Calif. — Announcement was made by Mark Davids, Lester, Ryons & Co., President of the Bond Club of Los Angeles that Rear Admiral Jack P. Monroe, United States Navy, Commander of the Pacific Missile Range at Point Mugu—one of the nation's three national missile ranges—will address the Club on "Seapower In The Space Age" and present a film entitled "Man In Space" at a luncheon on Thursday, Sept. 24, 1959, at the Renaissance Room, Biltmore Hotel.

Admiral Monroe, a graduate of the U. S. Naval Academy, has served in various commands. He is now responsible for the development of the full Pacific Missile Range Program for guided missiles, satellites, space vehicles—as well as the research, development and evaluation training programs, serving the army, navy and air force as well as other government and civilian agencies.

## Courts & Co. to Admit Revson

ATLANTA, Ga.—Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange, on Oct. 1 will admit Alfred F. Revson, Jr., to partnership.

## Stern, Frank Partner

LOS ANGELES, Calif.—On Oct. 1, Roberta Mace Bennett will be admitted to limited partnership in Stern, Frank, Meyer & Fox, 325 West Eighth Street, members of the New York and Pacific Coast Stock Exchanges.

## Canada: 1959 A Milestone Year

*Continued from page 19*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ §— | | |
| Canadian Breweries Ltd. Holding co.—brewing and grain milling interests | 15 | 1.50 | 40¼ | 3.7 |
| Canadian Bronze Co., Ltd. Holding co. — subidiaries make bronze bearings, bushings and castings | 32 | 1.875 | 22 | 8.5 |
| Canadian Celanese Ltd. Synthetic yarns and fabrics | 24 | 0.90 | 22½ | 4.0 |
| Canadian Dredge & Dock Co., Ltd. General dredging; construction & repair work on waterways | 10 | 1.30 | 29 | 4.5 |
| Canadian Fairbanks Morse Co., Ltd. Exclusive sales agents for Fairbanks, Morse & Co. of Chicago | 22 | 1.80 | 31 | 5.8 |
| Canadian Gen. Elec. Co., Ltd. Exclusive manufacturing & selling rights of General Electric products in Canada | 30 | 12.00 | b742 | 1.2 |
| Canadian Gen. Invest. Ltd. Management type invest. trust | 31 | 1.35 | 38 | 3.6 |
| Canadian Industries Ltd. Chemicals and allied products | 33 | 1.25 | 40 | 3.1 |
| Canadian Ingersoll-Rand Ltd. Manufactures compressors, pneumatic tools, pulp and paper | 30 | 1.25 | 40 | 3.1 |
| Canadian Oil Cos., Ltd. Petroleum refining & distribution | 34 | 0.80 | 28¾ | 2.8 |
| Can. Pac. Ry. Co. "Ord." "The" private railway system of Canada | 16 | 1.50 | 28⅛ | 5.3 |
| Canadian Tire Corp., Ltd. Automotive accessories, parts, etc. | 16 | 0.70 | 180 | 0.4 |
| Canadian Vickers, Ltd. Shipbuilding, repairs; also makes industrial and mining machinery | 10 | 1.025 | 19¼ | 5.3 |
| Canadian Westinghouse Co., Ltd. Airbrakes and large variety of electrical apparatus | 14 | 1.00 | 50 | 2.0 |
| Catelli Food Prod. Ltd. "B" Manufacturers of macaroni, vermicelli, noodles, fancy pastes and canned foods. Plants at Montreal, St. Thomas and Lethbridge | 10 | 1.50 | a49 | 2.5 |
| Chartered Trust Co. General fiduciary business | 25 | 1.50 | b62 | 2.4 |
| Chateau-Gai Wines Ltd. Wines and juices | 15 | 1.00 | 23½ | 4.3 |
| Cochenour Willans Gold Mines Ltd. Gold producer N. W. Ontario | 12 | 0.11 | 3.70 | 3.0 |
| Coghlin, B. J. & Co. Ltd. Manufacturer of railway and heavy industry equipment | 15 | 0.50 | 8½ | 5.9 |
| Collingwood Terminals, Ltd. Operates a 2 million bushel grain elevator in Collingwood, Ontario | 18 | 1.00 | b18 | 5.6 |
| Conduits National Co., Ltd. Rigid electrical conduits, elbows, couplings, etc. | 23 | 0.60 | 12⅞ | 4.7 |
| Confederation Life Assoc. Wide range of endowment and life policies | 36 | 2.00 | 133 | 1.5 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

## Canada: 1959 A Milestone Year

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| Consolidated Mining & Smelting Co. of Can. Ltd. — Lead, zinc, silver, chemical fertilizers, etc. | 27 | 0.80 | 19½ | 4.1 |
| Consol. Paper Corp., Ltd. — Owns five mills; daily newsprint capacity 2,479 tons | 14 | 2.00 | 42½ | 4.7 |
| Consumers Gas Co. — Manufactures and distributes gas in the Toronto area | 112 | 0.85 | 42 | 2.0 |
| Consumers Glass Co., Ltd. — Wide variety of glass containers | 24 | 1.50 | 33 | 4.5 |
| Corby (H.) Distillery Ltd. v.t. — Holding and operating co. — alcohol and spirits | 23 | 1.10 | 18½ | 5.9 |
| Cosmos Imperial Mills Ltd. — Manufactures heavier grades of cotton duck | 25 | 0.80 | 12¾ | 6.3 |
| Crain, R. L. Ltd. — Manufactures & sells continuous business forms | 14 | †0.25 | 21 | 1.2 |
| Crown Cork & Seal Co., Ltd. — Bottle caps for the beverage industry | 31 | 2.00 | 62 | 3.2 |
| Crown Trust Co. — General fiduciary business | 60 | 0.80 | 31 | 2.6 |
| Crow's Nest Pass Coal Co., Ltd. — Coal producer on western slope of Canadian Rockies | 42 | 0.60 | 20 | 3.0 |
| Distillers Corp.-Seagrams Ltd. — A holding co—interests include a complete line of whiskies and gins | 23 | 1.70 | 32⅝ | 5.2 |
| Dome Mines Ltd. — Ontario gold producer | 40 | 0.70 | 18½ | 3.8 |
| Dominion and Anglo Investment Corp., Ltd. — Investment holding company | 20 | 17.00 | b535 | 3.2 |
| Dominion Bridge Co., Ltd. — Bridges, cranes and structural steel of all kinds | 47 | 1.00 | 23 | 4.3 |
| Dominion Corset Co. Ltd. — Manufactures ladies' foundation garments | 10 | 1.00 | 18 | 5.6 |
| Dominion Engineering Wks., Ltd. — Wide variety of machines and equipment | 18 | 1.00 | 19¾ | 5.1 |
| Dominion Fabrics, Ltd. — Towels, tapestries, draperies, etc. | 33 | 0.60 | b12 | 5.0 |

**Companies and Banks Which Have Paid Consecutive Dividends from 5 to 10 Years Appears in the Second Table Starting on Page 27**

| | | | | |
|---|---|---|---|---|
| Dominion Foundries & Steel Ltd. — Makes wide variety of primary steel products | 23 | 1.10 | 48⅛ | 2.3 |
| Dominion Glass Co., Ltd. — Wide variety of glassware | 42 | 2.60 | 85 | 3.1 |
| Dominion Insurance Corp. — Operates company for fire insurance, etc. | 16 | 8.00 | b270 | 3.0 |
| Dominion Oilcloth and Linoleum Co., Ltd. — Wide range of linoleum and oilcloth products | 73 | 2.10 | 42½ | 4.9 |
| Dominion Steel & Coal Corp., Ltd. — A holding co.—coal, iron & steel interests | 14 | 1.00 | 19⅝ | 5.1 |
| Dominion Stores Ltd. — Operates grocery and meat chain | 18 | 1.25 | 66 | 1.9 |
| Dominion Tar & Chemical Co., Ltd. — Distiller of coal tar & producer of its derivatives | 14 | 0.525 | 17⅝ | 3.0 |
| Dominion Textile Co., Ltd. — Wide range of cotton yarns and fabrics | 48 | 0.60 | 10¾ | 5.6 |
| Donohue Brothers Ltd. — Owns and operates a paper mill at Clermont, Quebec | 14 | 0.75 | 14¾ | 5.1 |
| Economic Invest't Trust Ltd. — General investment trust business | 33 | 1.60 | 39½ | 4.1 |
| Eddy Match Co. Ltd. — Manufactures and sells wood and book matches and through subs. is in lumber business and manufacture of vending machines. | 22 | 1.50 | 29 | 5.2 |
| Electrolux Corp. — "Electrolux" vacuum cleaners, & air purifiers | 16 | *1.20 | 17⅛ | 7.0 |
| Equitable Life Insurance Co. of Canada — Wide line of life and endowment policies | 21 | 0.90 | b53 | 1.7 |
| Falconbridge Nickel Mines, Ltd. — Nickel, copper, cobalt; subsidiary produces steel castings | 27 | 1.20 | 26 | 4.6 |
| Famous Players Canadian Corp., Ltd. — Largest operator of motion picture theatres in Canada | 25 | 1.50 | 22⅜ | 6.7 |
| Fanny Farmer Candy Shops, Inc. — Operates large candy chain | 32 | 1.00 | 18 | 5.6 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
* Dividend paid in U. S. Currency.
b Bid.

*Continued on page 22*

## Investment Clubs to Hold Convention

CHICAGO, Ill.—More than 1,000 members of investment clubs from coast to coast are expected to attend the ninth annual convention of the National Association of Investment Clubs at the Sheraton-Jefferson Hotel in St. Louis on Friday and Saturday, Oct. 30 and 31.

The National Association was formed in Detroit in 1951 by four Michigan clubs composed of 40 persons. Today, the organization comprises 4,647 clubs and 64,151 individuals. NAIC clubs may be found in every state of the union as well as several foreign countries.

Among speakers at this year's conclave are William H. Cruickshank, Jr., director of research for David L. Babson and Company, Inc.; Guy S. Freutel, first Vice-President, Federal Reserve Bank of St. Louis, and Irving C. Smith, Vice-President and Chairman of the budget committee, Monsanto Chemical Company.

Members of a panel discussing the problem of portfolio management will be Frank X. Keaney, director of research, G. H. Walker & Co., J. Marion Engler, Vice-President, St. Louis Union Trust Company, Alois T. Bolfing, Treasurer, Transit Casualty Company, and John J. Maloney, head of the research department, Edward D. Jones & Co., all of St. Louis.

Topics to be spotlighted at workshop sessions on Friday evening include "Analyzing a Financial Statement," "Basic Investment Club Accounting," and "Stock Selection Guides and Analyses." All of the dozen workshops will be conducted by officers and directors of the National Association of Investment Clubs.

Last year, NAIC met in Chicago. Since that time (November, 1958) the organization's club membership has jumped 36%, while the number of individuals affiliated has climbed 43%.

Investment clubs are small groups of friends, neighbors or business associates who meet monthly to decide how they are to invest their pooled funds. NAIC advises affiliated groups to invest regularly, to re-invest dividends, and to buy growth compaines after careful analysis.





## New England Tel & Tel Debentures Offered

Halsey, Stuart & Co. Inc. is manager of an underwriting syndicate which publicly offered on Sept. 22 an issue of $45,000,000 New England Telephone & Telegraph Co. 35-year 5¾% debentures, due Sept. 1, 1994, at 101.90% and accrued interest, to yield 5.625%. The group won award of the debentures at competitive sale on Sept. 21 on a bid of 100.42%.

Net proceeds from the financing will be used by the company to repay advances from its parent organization, American Telephone & Telegraph Co., which are expected to approximate $42,700,000 at the time the proceeds are received. The remainder of the proceeds will be used for general corporate purposes.

The debentures will be redeemable at the option of the company at redemption prices ranging from 107.40% to par, plus accrued interest.

The company is engaged in furnishing communication services, mainly local and toll telephone service, in Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. On June 30, 1959, the company had 3,130,074 telephones in service and Westerly Automatic Telephone Co., a subsidiary, had 10,724 telephones in service. About 54% of the company's telephones are in metropolitan areas having a population of 100,000 or more, about 31% being in the metropolitan area of Boston. Other communication services furnished include teletypewriter exchange service and services and facilities for private line teletypewriter use, for the transmission of radio and television programs and for other purposes.

For the six months ended June 30, 1959 the company had total operating revenues of $186,394,074 and net income of $24,315,358.

## Federal Credit Bank Debentures Offered

The Federal Intermediate Credit Banks on Sept. 22 offered a new issue of approximately $133,000,000 of 5½% nine-month debentures, dated Oct. 1, 1959, and maturing July 5, 1960. Priced at par, the new issue is being offered through John T. Knox, Fiscal Agent and a nationwide selling group of securities dealers.

It was also announced that issues already outstanding with a maturity of Dec. 1, 1959 and Jan. 4, 1960, for a total of $5,000,000, were reopened and sold for delivery Oct. 1. Proceeds from the financing will be used to refund $179,000,000 of 3.45% debentures maturing Oct. 1, 1959.

### Form Denmar Corp.

(Special to THE FINANCIAL CHRONICLE)

MIAMI, Fla.—Denmar Corporation is engaging in a securities business from offices at 139 Northeast First Avenue. Officers are M. A. Robinson, President; F. C. Gardner, Secretary; and D. M. Robinson, Vice-President.

### Arch Roberts Opens

(Special to THE FINANCIAL CHRONICLE)

ST. PETERSBURG, Fla.—Arch W. Roberts is conducting a securities business from offices at 480 First Avenue, North.

### T. H. Fitzgerald Opens

MANLIUS, N. Y.—Thomas H. Fitzgerald, Jr. is engaging in a securities business from offices at 505 Pleasant Street, under the firm name of T. H. Fitzgerald & Co.

## Canada: 1959 A Milestone Year

*Continued from page 21*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| Ford Motor Co. of Canada, Ltd. "B" — Automotive manufacturer | 27 | 5.00 | b182½ | 2.7 |
| Foundation Co. of Canada Ltd. — Engineers & general contractors | 20 | 0.50 | 13⅞ | 3.6 |
| Fraser Companies, Ltd. — Wide variety paper and lumber products; synthetic yarns and fabrics | 16 | 1.50 | 30½ | 4.9 |
| A. J. Freiman, Ltd. — Owns & operates largest department store in Ottawa | 14 | 1.25 | b35 | 3.6 |
| Gatineau Power Co. — Hydro-electric energy in Eastern Canada | 22 | 1.45 | 38¼ | 3.8 |
| General Petroleums of Canada Ltd. "Ord." & Class "A" — Oil well drilling contractors | 11 | 0.20 | 3.55 | 5.6 |
| General Steel Wares Ltd. — Household utensils; hotel, restaurant, and hospital equipment; refrigerators, etc. | 19 | 0.40 | 18½ | 2.2 |
| Goodyear Tire & Rubber Co. of Canada, Ltd. — Natural and synthetic rubber products | 33 | 6.00 | 225 | 2.7 |
| Gordon Mackay Stores Ltd. "B" — Manages subsidiaries which distribute textile products and allied goods | 35 | 0.50 | 8 | 6.3 |
| Grand & Toy Ltd. — Manufactures commercial & general stationery & business forms and distributes office supplies & furniture throughout Ontario | 16 | 1.80 | b45 | 4.0 |
| Great Lakes Paper Co., Ltd. — Manufactures newsprint and unbleached sulphite paper | 13 | 1.60 | 41 | 3.9 |
| Great West Coal Co., Ltd. "B" — Wholesale distributor of lignite coal | 13 | 0.50 | 4.00 | 12.5 |
| Great-West Life Assur. Co. — Wide range of life, accident and health policies | 60 | 4.30 | b341 | 1.3 |
| Great West Saddlery Co., Ltd. — Wholesale distributor of general store mdse., and riding goods | 10 | †0.10 | 9 | 1.1 |
| Greening (B.) Wire Co., Ltd. — Wide variety of wire products | 22 | 0.20 | 4.95 | 4.0 |
| Guaranty Trust Co. of Can. — General fiduciary business | 31 | 0.80 | 27 | 3.0 |
| Hahn Brass Ltd. — Maufactures large variety of metal products | 13 | †0.50 | 18 | 3.1 |
| Hallnor Mines, Ltd. — Ontario gold producer | 21 | 0.14 | b2.30 | 6.1 |
| Hamilton Cotton Co., Ltd. — Wide variety of textile products | 18 | 0.90 | b16 | 5.6 |
| Harding Carpets Ltd. — Specializes in seamless "Axminster" and "Wilton" rugs | 24 | 0.50 | 13¼ | 3.8 |
| Hayes Steel Products Ltd. — Wide variety of automotive parts | 17 | 1.00 | 27¼ | 3.7 |
| Hendershot Paper Products Ltd. — Manufactures paper products including containers & corrugated products | 13 | 0.10 | b4.45 | 2.2 |
| Hinde and Dauch Paper Co. of Canada Ltd. — Wide variety of paperboards, boxes, etc. | 26 | 1.80 | 55 | 3.3 |
| Hollinger Consolidated Gold Mines, Ltd. — Ontario gold producer | 44 | 0.48 | 31 | 1.5 |
| Hudson Bay Mining & Smelting Co. Ltd. — Manitoba copper & zinc products | 25 | 3.00 | 51½ | 5.8 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

# Canada: 1959 A Milestone Year

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ —Canadian $ §— | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Huron & Erie Mortgage Corp.**<br>Lends money on first mortgage security and operates deposit and debenture accounts | 95 | 1.65 | 54⅝ | 3.0 |
| **Imperial Bank of Canada**<br>Operates 304 branches throughout Canada | 84 | 1.80 | 70½ | 2.6 |
| **Imperial Flo - Glaze Paints Ltd.**<br>Varnishes, lacquers, enamels, paints, etc. | 19 | 1.50 | 34 | 4.4 |
| **Imperial Life Assurance Co. of Canada**<br>Comprehensive range of life, endowment and term policies | 58 | 2.00 | 81 | 2.5 |
| **Imperial Oil Ltd.**<br>With subsidiaries comprises full integrated oil enterprises | 60 | 1.20 | 40½ | 3.0 |
| **Imperial Tobacco Co. of Canada, Ltd. "Ord."**<br>Tobacco, cigars and cigarettes | 48 | 0.675 | 13⅜ | 5.0 |
| **Industrial Acceptance Corp., Ltd.**<br>Purchases acceptances; also small loans & gen'l insurance business | 12 | 1.60 | 37¼ | 4.3 |
| **International Metal Industries**<br>Name changed to Wood (John) Industries Ltd. Shares exchanged share for share | | | | |
| **International Nickel Co. of Canada, Ltd.**<br>Holding and operating co.—Primary operations at mines and smelters near Sudbury, Ontario | 26 | *2.60 | 92⅜ | 2.8 |
| **International Paper Co.**<br>Holding and operating co. — Operates pulp and paper mills in Canada and the U. S. | 14 | †*2.97 | 115 | 2.6 |
| **International Petroleum Co. Ltd.**<br>South American oil producer and refiner | 42 | 1.30 | 32⅛ | 4.0 |
| **International Utilities Corp.**<br>Management and development of natural gas and electrical companies in Alberta | 16 | 1.10 | 31¼ | 3.5 |
| **Investment Foundation Ltd.**<br>Management type investment trust | 16 | 2.40 | 49 | 4.9 |
| **Journal Publishing Co. of Ottawa, Ltd.**<br>Publishers "The Ottawa Journal" | 43 | 1.00 | b26½ | 3.8 |
| **Kerr-Addison Gold Mines Ltd.**<br>Ontario gold producer | 20 | 0.80 | 21⅛ | 3.8 |
| **John Labatt Ltd.**<br>General brewing business | 15 | 1.20 | 29 | 4.1 |
| **Lamaque Gold Mines Ltd.**<br>Quebec gold producer | 21 | 0.20 | 3.10 | 6.5 |
| **Laura Secord Candy Shops, Ltd.**<br>Retail candy chain in Ontario & Quebec | 33 | 1.25 | 26 | 4.8 |
| Lawson and Jones Ltd. "B"<br>Engaged in printing and lithographing. Manufactures labels, folding cartons and calendars, etc. | 11 | 1.00 | 25 | 4.0 |
| **Leitch Gold Mines Ltd.**<br>Ontario gold producer | 22 | 0.06 | 1.40 | 4.3 |
| **Lewis Bros., Ltd.**<br>Wholesale hardware trade in Eastern Canada | 14 | 0.60 | 11 | 5.5 |
| **Loblaw Cos. Ltd. "B"**<br>Operates chain of "self-service" grocery stores in Ontario | 37 | 0.40 | 31¾ | 1.3 |
| **Loblaw Inc.**<br>Operates 133 "self-service" food markets in northern New York, Pennsylvania and Ohio | 21 | 2.00 | 145 | 1.4 |
| **Walter M. Lowney Co., Ltd.**<br>Chocolate and other confection products | 24 | 1.00 | 29½ | 3.4 |
| **Macassa Mines, Ltd.**<br>Ontario gold producer | 11 | 0.15 | 3.00 | 5.0 |
| **Maclaren Power & Paper Co.**<br>Holding company—newsprint, lumbering and power interest | 18 | 2.75 | 86 | 3.2 |
| **MacMillan & Bloedel Ltd."B"**<br>Fully integrated lumber business; large exporter | 19 | 1.15 | 41¼ | 2.8 |
| **Madsen Red Lake Gold Mines Ltd.**<br>Ontario gold producer | 20 | 0.20 | 3.05 | 6.6 |
| **Maple Leaf Gardens, Ltd.**<br>Owns and operates Toronto sports arena of same name | 14 | 1.20 | b24 | 5.0 |
| **Maple Leaf Milling Co., Ltd.**<br>Grain handling; flour milling; operation of bakeries, etc. | 14 | 0.50 | 18¼ | 2.7 |
| **Massey-Ferguson., Ltd.**<br>Complete line of farm implements and machinery | 14 | 0.40 | 15⅜ | 2.6 |
| **Maxwell Ltd.**<br>Manufactures washing machines, dryers, lawn mowers and food choppers | 10 | 0.4125 | 5¼ | 7.9 |
| McCabe Grain Co., Ltd., com.<br>General grain dealings | 13 | †1.00 | 34 | 2.9 |
| **McColl-Frontenac Oil Co. Ltd.**<br>See Texaco Canada Limited<br>Oil production, refining and distribution | | | | |
| **McIntyre Porcupine Mines, Ltd.**<br>Ontario gold producer | 43 | 3.00 | 89½ | 3.4 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ —Canadian $ §— | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Midland & Pacific Grain Corp., Ltd.**<br>Deals in grain and operates line elevators in Western Canada | 14 | †1.00 | b16½ | 6.1 |
| **Milton Brick Co., Ltd.**<br>Makes first quality face brick | 10 | 0.20 | 3.20 | 6.3 |
| **Minnesota and Ontario Paper Co.**<br>Newsprint, specialty papers and other timber products | 13 | 1.60 | 33 | 4.8 |
| **Mining Corp. of Canada, Ltd.**<br>Holding, exploration & financing company | 11 | 0.50 | 14¼ | 3.5 |
| **Mitchell (J. S.) & Co., Ltd.**<br>General supply house for many industries in Eastern Quebec | 25 | 1.25 | b25 | 5.0 |
| **Mitchell (Robert) Co., Ltd. "A"**<br>Brass, bronze, nickel and other metal products | 12 | 1.00 | 10 | 10.0 |
| **Modern Containers Ltd. "A"**<br>Makes tube containers for tooth paste, shaving cream and other semi-liquid products | 12 | 1.00 | b15½ | 6.5 |
| **Molson's Brewery, Ltd. "B"**<br>Montreal brewer | 15 | †0.90 | 28⅝ | 3.1 |
| **Monarch Mortgage & Investments Ltd.**<br>Operates and owns number of apartment houses | 12 | 3.00 | 46 | 6.5 |
| **Montreal Locomotive Works, Ltd.**<br>Diesel-electric locomotives and related production | 14 | 1.35 | 18 | 7.5 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ —Canadian $ §— | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Montreal Refrigerating & Storage Ltd.**<br>Operates general and cold storage warehouse in Montreal | 14 | 2.00 | b40 | 5.0 |
| **Montreal Trust Co.**<br>Executor & trustee, management of securities & real estate | 51 | 1.50 | 47¾ | 3.1 |
| **Moore Corp. Ltd.**<br>Business forms, advertising display products, etc. | 16 | *0.667 | 38¼ | 1.7 |
| **Morgan (Henry & Co.) Ltd.**<br>Owns and operates department stores in Ontario & Quebec. | 17 | 0.95 | 32 | 3.0 |
| **Mount Royal Rice Mills**<br>Manufactures and distributes rice products. | 14 | 1.00 | a22⅜ | 4.5 |
| **National Drug and Chemical Co. of Canada, Ltd.**<br>Wholesaler of drugs, chemical & general merchandise | 19 | 0.80 | 16 | 5.0 |
| **National Grocers Co., Ltd.**<br>Ontario grocery wholesaler | 18 | 0.60 | b20 | 3.0 |
| **National Hosiery Mills Ltd. "B"**<br>Manufactures ladies' hosiery | 12 | 0.32 | 5 | 6.4 |
| **National Steel Car Corp., Ltd.**<br>Railway cars, automobile chassis, etc. | 23 | 0.80 | 17¾ | 4.5 |
| **National Trust Co., Ltd.**<br>General trust business, also accepts deposits | 61 | 1.75 | 56 | 3.1 |
| **Neon Products of Canada Ltd.**<br>Neon advertising signs | 30 | 0.60 | b16½ | 3.6 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
a Ask.
b Bid.

*Continued on page 24*

# Our Reporter on Governments

*BY JOHN T. CHIPPENDALE, JR.*

The demand for loans is very large and this is keeping the money market tight, so that the action of Government obligations is still defensive, even though a technical rally takes place from time to time. A period of very tight money and credit conditions is likely to prevail during the balance of 1959, unless there should be further set-backs in the equity market.

In spite of the beliefs that money and credit could get tighter in the next three months, this period is being regarded by not a few money market experts as a time in which purchases of Treasury obligations could be very fruitful. The fall and winter demand for funds could be the peak for a considerable length of time and thus might present a real buying opportunity in high yielding Government issues as well as corporate and tax-exempt obligations. Developments in the money market and capital market in the next few months will be watched very carefully.

**Help from Fed. Expected**

The highest discount rate since 1932 is a signal that the restrictive monetary policy is to be in force for the foreseeable future. The 4% rate which the Central Banks have just put in force is, however, not a penalty rate and the latest available reports of the 12 banks of the Federal Reserve System shows that the discounts and advances of member banks have not shown any startling increases. This seems to indicate that the deposit institutions of the Federal Reserve System are not making any undue use of the Central Banks' discount facilities in order to obtain funds which can be loaned out to customers at the prime rate of 5% or at higher rates.

However, since the demand for loans is still very sizable and will most likely increase in the future, it is to be expected that the commercial banks will continue to liquidate Government securities so that funds will be made available to customers. To be sure, there is a money squeeze today, but on the other hand there is no reason to believe that the monetary authorities will not see to it that the seasonal needs of legitimate business and the new money borrowings of the Treasury will not be taken care of.

Some help from the powers that be would not be a surprise as far as the money market is concerned, since the period of heavy credit demands both from business and the Treasury are still ahead of us. Some minor relief for the money market by the Federal Reserve Banks would not, however, mean that the policy of active credit restraint had been changed, since the credit reins would still be very tight. This could nonetheless take a degree of pressure away from the commercial banks since there would not be so great a need to sell Government issues (mainly shorts and intermediates) in order to get funds which would be used to take care of customers' credit needs.

**Treasury Out of Market Soon**

The balance of the year is the time which is being watched most closely by money market specialists as this is the period in which the peak demand will be on the money market. Sometime next month the Treasury will be in the market to get funds which will be needed to meet current expenses. The November refunding will be the next Government operation, with the final cash borrowing of the calendar to be done not too long after this venture has been cleared away. These undertakings of the Treasury will be confined to the short or intermediate term sectors of the market, and from then on the Treasury should be out of the market as a new money raiser for the first half of 1960 unless unforeseen happenings should develop. Refundings will, of course, be taken care of as they come along.

**Buying Opportunities Ahead**

Accordingly, it seems as though the pressure will be coming off the money market by the year-end even though between now and then a tight money market might get tighter. Higher near-term rates will continue to attract buyers and the next few months could provide buying opportunities for those who have funds for investment. The long-term Government market will likewise provide investors with yields that could have attraction for them. However, since much better yields are available in corporate and tax-exempt obligations, it is not likely there will be too great competition for the non-Federal bonds, unless the Treasury long terms make the necessary yield adjustment.





## Hardy & Co. Offers Investment Course

Hardy & Co., 30 Broad Street, New York City, members of the New York Stock Exchange will present a series of lectures on investment for security and income to be held in the Willkie Memorial Building, 20 West 40th Street, New York City. Samuel C. Greenfield will be lecturer.

The lectures, which are planned as an informal course for adults will be given from 8-9:30 p.m. on Thursday evenings, starting Oct. 1, and again on Feb. 4.

Subjects to be discussed will be Principal Comes First; Survey of Industry; Investment Media; Security Analysis: Group Approach; Security Analysis: Selecting Best Value; Survey of Different Groups; Interpretation—Financial News-Trading Terms; Mutual Funds Advisory Services; Personal Planning.

### Ira Armand Opens

Ira Armand & Co., Inc. has been formed with offices at 45 East End Avenue, New York City, to engage in a securities business. Officers are Ira Deutsch, President; Murray Rosenthal, Treasurer, and Kenneth Parker, Secretary.

# Canada: 1959 A Milestone Year

*Continued from page 23*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ § — | | |
| Newfoundland Light & Pow. Co., Ltd. — Operating public utility | 11 | 1.80 | 49 | 3.7 |
| Niagara Wire Weaving Co., Ltd., new — Makes wire mesh, cloth, wire weaving machinery, etc. | 25 | 0.75 | 14⅛ | 5.3 |
| Noranda Mines, Ltd. — Copper and gold producer | 30 | 2.00 | 50¾ | 3.9 |
| Normetal Mining Corp., Ltd. — Quebec copper and zinc producer | 14 | 0.19 | 3.55 | 5.4 |
| Northern Telephone Co. Ltd. — Operates telephone system in 36 centres Northern Ontario and Northwestern Quebec. Dec. 31, 1957, had 46,711 telephones in use. | 49 | 0.10 | 3.30 | 3.0 |
| Office Specialty Manu. Co. Ltd. — Mfg. and distributes office furniture and supplies | 14 | 0.80 | b17¼ | 4.6 |
| Ogilvie Flour Mills Co., Ltd. — Mills flour, feeds, and cereals | 57 | 1.95 | 50 | 3.9 |
| Okanagan Telephone Co. — Owns and operates local and long distance phone system. At latest report has 22,421 phones in use. | 11 | 0.60 | 12 | 5.0 |
| Ontario Loan and Debenture Co. — Accepts deposits and sells debentures; invests in first mortgages | 89 | 1.20 | 28½ | 4.2 |
| Ontario Steel Products Co., Ltd. — Automotive springs, bumpers and plastic products | 22 | 1.40 | 23⅝ | 5.9 |
| Pacific Atlantic Canadian Investment Co Ltd. — Investment trust of Management type. | 18 | 0.15 | 3.60 | 4.2 |
| Pacific Coast Terminals Co. Ltd. — Owns terminal facilities and cold storage warehouse at New Westminster, B. C. Capacity—1,500,000 tons cargo per year. | 16 | 4.00 | b60 | 6.7 |
| Page-Hersey Tubes, Ltd. — Industrial pipe and tubing | 34 | 0.90 | 29⅞ | 3.0 |
| Pato Consolidated Gold Dredging Ltd. — Operates a gold dredging project in Colombia, S. A. | 21 | 0.25 | 4.00 | 6.3 |
| Penmans Ltd. — Woolen, cotton and silk knitted goods | 53 | 1.80 | 33 | 5.5 |
| People's Credit Jewellers Ltd. — Retailer of jewelry and associated merchandise | 18 | 0.85 | 29 | 2.9 |
| Photo Engravers & Electrotypers Ltd. — Photo engravings, electrotypes, commercial photography, etc. | 26 | †0.65 | 16¼ | 4.0 |
| Placer Development, Ltd. — Investment—holding company—gold interests | 27 | 0.50 | 11⅜ | 4.4 |
| Powell River Co., Ltd. — Largest producer of newsprint on the West Coast | 22 | 1.50 | 40½ | 3.7 |
| Power Corp. of Canada, Ltd. — A utility holding management and engineering company | 23 | 2.00 | 63¼ | 3.2 |
| Premier Trust Co. — Operates as trust company trustee, etc. | 43 | 8.00 | 150 | 5.3 |
| Price Brothers & Co., Ltd. — Newsprint and related products | 16 | 2.00 | 42½ | 4.7 |
| Provincial Transport Co. — Operates coach lines in Quebec and Ontario | 23 | 1.00 | 14¼ | 7.0 |
| Quebec Power Co. — Operating public utility | 45 | 1.60 | 40 | 4.0 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

## Canada: 1959 A Milestone Year

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959◆ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| Quinte Milk Prod., Ltd. — Wide variety of milk products | 11 | 0.15 | b4.05 | 3.7 |
| Robertson (P. L.) Manufacturing Co., Ltd. — Wide range of screws and bolts | 18 | 0.80 | 17 | 4.7 |
| Robinson Little & Co., Ltd. — Wholesale and retail merchandising of dry goods & variety store lines | 12 | 0.80 | 14½ | 5.5 |
| Rolland Paper Co., Ltd. "B" — High-grade bond writing paper & related products | 10 | 0.50 | b34 | 1.5 |
| Royal Bank of Canada — Operates 919 branches throughout the world | 91 | 2.25 | 85¾ | 2.6 |
| Russell Industries Ltd. — Holding company—machine tool interests | 24 | 0.60 | 12½ | 4.8 |
| Sangamo Co., Ltd. — Electric meters, motors, switches, etc. | 23 | 0.65 | 14½ | 4.5 |
| Scythes & Co. Ltd. — Manufactures cotton and wool waste, cotton, wipers, etc. | 24 | 1.00 | 15 | 6.7 |
| Shawinigan Water and Power Co., new — Quebec electric utility | 53 | 0.71 | 30½ | 2.3 |
| Sherwin-Williams Co. of Canada, Ltd. — Paints, varnishes, enamels, etc. | 18 | 2.05 | 47 | 4.4 |
| Sicks' Breweries Ltd. — Beer, ale, stout and carbonated beverages | 32 | †1.40 | 32 | 4.4 |
| Sigma Mines (Quebec) Ltd. — Quebec gold producer | 20 | 0.25 | 4.50 | 5.6 |

**Companies and Banks Which Have Paid Consecutive Dividends from 5 to 10 Years Appears in the Second Table Starting on Page 27**

| | | | | |
|---|---|---|---|---|
| Silknit Ltd. — Lingerie, swim suits and other rayon products | 12 | 1.00 | b24 | 4.2 |
| Silverwood Dairies, Ltd. "B" — Full line of dairy products | 22 | 0.60 | 11¼ | 5.3 |
| Simpson's Ltd. — Owns and operates through subs. dept. stores in Canada | 14 | 0.60 | 35 | 1.7 |
| Siscoe Mines Ltd. — Holding Co. with interest in various mines located in Ontario and Quebec. | 10 | 0.03 | 0.30 | 3.8 |
| Slater (N.) Co., Ltd. — Pole-line hardware for power companies; also metal stampings and forgings | 22 | 1.35 | 29½ | 4.6 |
| Smith (Howard) Paper Mills Ltd. — Pulp and paper manufactures in Canada | 15 | 1.20 | 41 | 2.9 |
| Southam Co., Ltd. — Publishes seven daily newspapers across Canada; operates three radio stations | 24 | †2.20 | 71 | 3.1 |
| Southern Canada Power Co., Ltd. — Operating public utility; Southern Quebec | 37 | 2.50 | 60¼ | 4.1 |
| Sovereign Life Assurance Co. of Canada — Life and endowment insurance | 41 | 2.50 | b211 | 1.2 |
| Standard Paving & Materials Ltd. — General paving contractor | 12 | 2.125 | 57½ | 3.7 |

◆ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

*Continued on page 26*



## Securities Salesman's Corner

*BY JOHN DUTTON*

### Some "A. B. C.'s" of Investment Analysis

ARTICLE VI

*This is the final article in a series of six published consecutively in the Chronicle covering this most important subject. The primary purpose is to furnish the salesman and the investor with certain basic tools which can be used functionally in the study of the relative attractiveness of various securities, and the balance sheet and income account items pertinent thereto. These articles are not intended to be all inclusive but to serve more as a "Do It Yourself Kit" that might become the foundation for further study.—EDITOR.*

**The Income Account**

The balance sheets tell where the money came from and where it went. The income account explains mathematically how it was earned, or how losses were incurred during a business firm's natural business year. Before going into this broad subject in the limited space of this column, there are several pertinent observations of which every analyst is well aware. (1) Consolidated income accounts that are not sufficiently detailed as to pertinent items necessary for a clear cut analysis are often of small value in determining a company's actual results over any given period. (2) Two methods that are most widely used in "confusing the issue" and distorting the actual figures contained in an income account are (a) Charges made to surplus account rather than to expenses, and (b) Overstating or understating depreciation and depletion charges and manipulating inventory figures. With this watchword, be on your guard, read the figures and study the balance sheets for significant changes, both functions are of importance in determining the financial soundness and the profitability of any given business.

**Internal Analysis of Income Accounts**

All ratio studies should be based upon a comparison of at least four to five years. First, of course, is the matter of gross sales. This figure should show a healthy growth.

The "Gross Profit" margin varies for individual lines of business. However, gross profit should increase along with increased sales and, in many lines of business where the "break-even" point is relatively stationary, the gross profit margin should increase proportionately more than sales. A rapidly increasing sales curve, accompanied by a stationary or declining gross profit margin, is a straw in the wind and should be investigated.

The final net profit before Federal taxes and after, should also show a healthy increase as sales move upward. The ratio of net to sales (before taxes) also varies for individual lines of business from 1½% to as much as 15%. The analyst can readily observe the ratios existing in the most generally successful concerns, and use these as a basis for his study of any subect company. For those readers who are interested, they might observe the ratio of net profit to sales before taxes of the five largest companies in such fields as retailing, mining, steel, aviation, drugs, chemicals, etc., during the past five years. Any company that consistently shows an inability to carry down to net after taxes a sufficient percentage of gross profit should be held under suspicion. A growing firm, with a healthy sales and profit curve, is worthy of further investigation from an investment standpoint.

**Ratio of Inventory to Sales**

Another helpful ratio is that of inventory to sales. Although this does not accurately indicate the rate of annual turnover it is a good working guide as to the manner in which management is converting inventory into profits. A declining ratio of sales to inventory is an indication of sluggish sales, possible stale inventory accumulation and ensuing losses to come. Increasing this ratio is a healthy sign that management is sales conscious and its buying policies are alert and aggressive.

**Ratio of Accounts Receivable to Sales**

Another important indication of the efficiency with which a business is collecting its current receivables is the ratio of receivables to sales. Where sales are increasing more slowly then receivables, or when the year-to-year figures show a comparative increase in accounts receivable without a corresponding increase in sales, then there is evidence that collections are slowing down, and that a firm's customers may be depreciating in the quality of their payments for merchandise purchased. A healthy sales curve, accompanied by a stationary or more or less modest increase in accounts receivable, is a very desirable situation. This ratio should be constantly more favorable over the years and if so denotes good internal controls, collection methods, sales policies, and alert management.

* * *

In conclusion, the author wishes to emphasize again that this all too brief and inconclusive series of articles has been written more as a guide to salesmen and individual investors, so that they might have some preparation for further study of this rewarding analysis of the balance sheet and income account on a comparative basis.

After you have made a study of the internal financial soundness of any investment the job is only half done—sound investment decisions combine selection and timing. The price you pay for any investment is also a determining factor as to whether or not it should be acquired. This important consideration should never be overlooked.

### Forms Nat Berger Assoc.

Nat Berger Associates, Incorporated has been formed with offices at 477 Madison Avenue, New York City to engage in a securities business.

### C-R Syndicate

The C-R Syndicate No. 5 has been formed with offices at 55 Broadway, New York City, to engage in a securities business. Partners are Irving Zindler, Alexander Rapport, and William Lipman.

# As We See It

Continued from first page

which are calculated to achieve such a purpose.

### What Would They Have Done?

Yet we can not help wondering what the attitude of the President, his party, and, yes, that of at least the more articulate elements among the voters would have been last January if the recession had in fact still been with us. There can be no question, of course, that a great deal of the Democratic oratory during the 1958 campaign—and even before that—had as its theme the recession and the alleged need of applying New Deal remedies in large doses and without delay. Nor can there be any doubt that this general attitude and this broad trend of thought carried over in 1959. It was all but inevitable that such should be the case. The fact that the recession proved to be definitely over, placed the Democratic party in a very awkward position of which the President took due advantage.

All this is interesting enough in its own right, but we should feel very much more heartened if there were good evidence of an abandonment by the Administration, the Republican party, or any other influential political element in the population of the fallacious notion that depression (or recessions, if that term is preferred) ought to be combatted or can be cured or prevented by such therapeutics as is advocated by the New Deal and the others among the neo-Keynesians. We, of course, have no way of knowing what the reactions of the President, his party or the general public would have been to many of the measures and proposals he now condemns had unemployment still been large and on the increase last January, but we are very much afraid that broadly similar tactics would have found favor at the White House and quite possibly among large sections of the rank and file.

There are certain encouraging indications that there is perhaps a growing realization in a number of official quarters that the time to combat a major recession or depression is when the excesses are building up, or threaten to build-up, which make later trouble all but inevitable. That is to say, there is evidence of some understanding that the time to combat the next recession or depression is now. A number of the proposals of the Administration seem to point in that direction, and the fact that a number of them have been adopted, perhaps with some reluctance by Congress with the help of some of the elements of the Democratic majority, suggests that the understanding is not confined to the White House or to financial officials for which the President is responsible.

In general the so-called fight on inflation, both by the Federal Reserve System and the insistence on the part of the Administration upon a limit upon Federal expenditures, as well as a number of proposals which have not been enacted into law, are cases in point. Of course, some of the actual achievements would not have been possible but for the cooperation of substantial elements in the Democratic party, and these same elements in Congress have saved the Reserve authorities from greater embarrassment from the unpopular steps it has felt it needful to take. Here and there at other points those who control Congress have taken a constructive attitude toward proposals which were designed to bring the operations of the Federal Government more into line with the needful.

### What Might Have Been

If a Democratic Congress, caught as this one was by the turn of economic fate, was not able to throw off all of its ancient prejudices the fact is hardly to be regarded as strange, however regrettable it may be. We should, of course, be much better off had the interest ceiling on longer term Treasury obligations been removed, and certainly nothing but condemnation can be accorded the degree in which Congress continued the old, old practice of adopting projects which do not have a startling effect upon the budget this year, but which make any reduction in outlays in the years to come so much the more difficult. There is a long standing political prejudice which renders it very difficult for members of Congress, or some of them, to act rationally about the rate of interest paid on government obligations or about any action which the monetary authorities may take which tends to make funds cost more. The President has had to accept some disappointments which he regards, and rightly so, of importance.

But let no one suppose that even the proposals of the President have done more than scratch the surface of the needs of the day. They, or many of them, have been in the right direction, and for that we must be duly grateful, but a great deal more is required if we are to get our economy on a safe and sound footing. This is a fact of key importance since, as the President says, the allotted time of this Congress is but half gone. It will be back after the turn of the year, and then the fears of the still closer election will be traditionally great. Next year will be a testing time for both parties. It remains to be seen whether the President and his party can and will continue their present attitude about waste and extravagance, and also whether the Democratic majority will be as amenable. We wish it were not too much to hope that the pressure of politics next year would drive both the President and Congress to really constructive economizing.

## Three Join E. I. Hagen

(Special to The Financial Chronicle)

PORTLAND, Oreg. — Owen J. Card, Richard L. Kinney and Eric V. Sundholm are now affiliated with E. I. Hagen & Co., American Bank Building. Mr. Card was previously with Zilka, Smither & Co.

## Canada: 1959 A Milestone Year

Continued from page 25

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ § — | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Standard Radio Ltd.** Through subsidiaries owns and operates radio and short wave stations in Canada. | 19 | 0.60 | 17 | 3.5 |
| **Stedman Brothers Ltd.** Wholesale and retail small wares business | 25 | 1.20 | 37 | 3.2 |
| **Steel Co. of Canada, Ltd.** Engaged in all branches of steel production | 44 | 1.90 | 80½ | 2.4 |
| **Sterling Trusts Corp.** General fiduciary business | 23 | 2.00 | 49 | 4.1 |
| **Stuart (D. A.) Oil Co., Ltd.** Makes extreme friction lubricants and related products | 20 | 1.00 | 15 | 6.7 |
| **Supertest Petroleum Corp., Ltd. "Vot. Com." new** Markets petroleum products in Ontario and Quebec | 34 | 0.065 | b3.25 | 2.0 |
| **Sylvanite Gold Mines, Ltd.** Ontario gold producer | 30 | 0.06 | 1.14 | 5.3 |
| **Tamblyn (G.) Ltd.** Operates chain of 103 drug stores | 23 | 1.00 | 27½ | 3.6 |
| **Taylor, Pearson and Carson (Canada) Ltd.** Holding co.—interest in automotive and household appliances | 13 | 0.50 | 20 | 2.5 |
| **Teck-Hughes Gold Mines, Ltd.** Ontario gold producer | 34 | 0.10 | 2.14 | 4.7 |
| **Texaco Canada Limited** Oil production, refining and distribution. | 16 | 1.60 | 73½ | 2.2 |
| **Third Canadian General Investment Trust Ltd.** Investment trust of the management type | 31 | 0.25 | 7⅜ | 3.4 |
| **Toronto-Dominion Bank** Operates 503 branches, 501 in Canada, one in New York and one in London, Eng. | 102 | 1.70 | 60 | 2.8 |
| **Toronto Elevators, Ltd.** Grain elevators, feed manufacturing and vegetable oils | 21 | 1.25 | 46½ | 2.7 |
| **Toronto General Trusts Corp.** General fiduciary business | 76 | 1.625 | 53 | 3.1 |
| **Toronto Iron Works, Ltd.** Steel plate products and special metals | 14 | 1.00 | 26 | 3.8 |
| **Traders Finance Corp., Ltd. "B"** Purchases installment sales obligations | 13 | 2.40 | 35½ | 6.8 |
| **Union Gas Co. of Canada, Ltd.** Production, storage, transmission and distribution of natural gas | 11 | †0.32 | 17¾ | 1.8 |
| **United Amusement Corp., Ltd., "A"** Operates 34 motion picture theatres in Montreal and other Quebec cities | 35 | 0.50 | 10 | 5.0 |
| **United Canadian Shares Ltd.** Holding co.—insurance interests | 35 | 0.50 | b12¾ | 3.9 |
| **United Corporations Ltd. "B"** An investment trust of the management type | 19 | 0.90 | 22 | 4.1 |
| **United Steel Corp. Ltd.** Steel plate and welded steel products | 14 | 0.70 | 11½ | 6.1 |
| **Upper Canada Mines Ltd.** Ontario gold producer | 20 | 0.025 | 1.22 | 2.0 |
| **Ventures Ltd.** Holding, investment, promotion, exploration and development co. | 11 | 0.50 | 27¼ | 1.8 |
| **Viau Ltd.** Biscuits and confectionery | 13 | 3.00 | b80 | 3.8 |
| **Waite Amulet Mines, Ltd.** Quebec copper-zinc producer | 20 | 0.65 | 6.25 | 10.4 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

## Canada: 1959 A Milestone Year

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Walker (Hiram)-Gooderham & Worts, Ltd.** Holding company—extensive liquor interests | 24 | 1.40 | 35⅛ | 4.0 |
| **Westeel Products Ltd.** Manufactures sheet metal | 19 | 0.80 | 13¾ | 5.8 |
| **Western Canada Breweries, Ltd.** Serves four western provinces | 23 | 1.20 | 32½ | 3.7 |
| **Western Plywood Co. Ltd. "B"** Manufactures and sells veneer & plywood. Plant in Vancouver | 12 | 0.70 | 17½ | 4.0 |
| **Westminster Paper Co., Ltd. "B"** Wide range of paper specialty products | 27 | 0.80 | 34 | 2.4 |
| **Weston (George) Ltd. "B"** Fine biscuits, bread, cakes, confectionery, etc. | 30 | 0.60 | 39⅜ | 1.5 |
| **Wilson, J. C., Ltd.** Manufactures and distributes paper and paper products. | 22 | 0.50 | 12½ | 4.0 |
| **Wood, John, Industries Ltd. "A"** Holding Co. Subs. Can. & U. S. mfr. water heaters, oil trade equipment, etc. | 17 | 1.60 | 27½ | 5.8 |
| **Zeller's Ltd.** Operates chain of specialty stores across Canada | 19 | 1.20 | 36½ | 3.3 |

### TABLE II

# CANADIAN

(Listed and Unlisted)

## *Common Stocks*

On Which

CONSECUTIVE CASH DIVIDENDS

Have Been Paid From

## *5 to 10 Years*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| **Acadia Atlantic Sugar Refineries Ltd.** Refines raw sugar cane & produces 50 or more grades & packages of sugar | 9 | 0.525 | 11 | 4.8 |
| **American Nepheline Ltd.** Mines & processes nepheline syenite for use in glass and ceramic trade, in Ontario | 7 | 0.04 | 0.68 | 5.9 |
| **Anthes-Imperial Co. Ltd.** Manufactures and distributes pipe and fittings for soil, water and air. Also boilers, radiators and steel scaffolding. | 5 | 1.40 | 42 | 3.3 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.

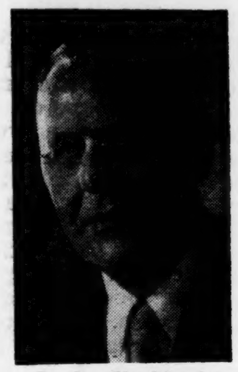
*Continued on page 28*



## Bankers Find No Support for Theory That Rising Prices Spur Growth

**Study of principal Free World countries prepared for international bankers meeting held in London this past summer shows some countries experiencing price inflation maintained economic growth and others did not, and that the same lack of correlation applied to countries not afflicted by price inflation. Conclusion drawn is that price stability and vigorous growth are compatible.**

Data showing economic trends in leading countries of Western Europe and the United States "lend no support to the theory that the goals of price stability and vigorous growth are incompatible," according to Casimir A. Sienkiewicz, Chairman of the Committee for Economic Growth without Inflation of the American Bankers Association.



C. A. Sienkiewicz

"They at least place the burden of proof on those who contend that inflation is a price that must be paid for economic progress," he added.

Mr. Sienkiewicz, who is President of the Central-Penn National Bank of Philadelphia, made this assertion in a letter foreword to a booklet of charts showing economic trends in Western Europe and the United States, which is available from the committee on request, to bankers and economists. The charts, 14 in number were prepared for participants in the Sixth Annual Monetary Conference held under sponsorship of the ABA in London this past summer. While the agenda of the Conference included a wide range of economic and financial topics, attention centered particularly on the problems of economic growth and avoidance of inflation. The charts and selection of the data were designed primarily to serve as a source of reference in considering these problems, Chairman Sienkiewicz points out.

"Another consideration," he continues, "was the desire to present only data that are available on a reasonably comparable basis for the major European countries and the United States. This accounts for the omission of data relating to government finances and to unit labor costs and productivity.

"Because of the limitations and incompleteness of the data, these charts obviously do not provide a firm basis for drawing many safe conclusions. But they do reveal some interesting comparisons and relationships that may be helpful in analyzing current economic trends.

"For one thing, there appears to be no significant correlation, either one way or the other, between the degree of inflationary pressure and the rate of economic growth in various countries during 1952-58. For example, Germany had very little inflation and a very high rate of economic growth. France had a rapid rate of growth but also strong inflation. The United Kingdom with a high degree of inflationary pressure had a slow rate of growth. The United States with relatively little inflationary pressure also had a slow rate of growth."

Other members of the committee serving with Chairman Sienkiewicz are Gabriel Hauge, Chairman of the Finance Committee, Manufacturers Trust Co., New York; Arthur F. Maxwel, President of the First National Bank of Biddeford, Maine, and of the Biddeford Savings Bank; William A. McDonnell, Chairman, First National Bank in St. Louis; William H. Neal, Senior Vice-President, Wachovia Bank and Trust Co., Winston-Salim, N. C.; Roy L. Reierson, Vice-President, Bankers Trust Co., New York; and Jesse W. Tapp, Chairman of the Board, Bank of America N.T. & S.A., Los Angeles, and Chairman of the ABA Economic Policy Commission.

Staff work will be handled by Dr. E. Sherman Adams, Deputy Manager, and Harold L. Cheadle, Secretary.

Requests for the booklet should be directed to: Committee for Economic Growth without Inflation, American Bankers Association, 12 East 36 Street, New York 16, New York.

## Alvin Wachsman Now With Dean Witter Co.

Alvin L. Wachsman has become associated with Dean Witter & Co., 14 Wall Street, New York City, where he will handle security and commodity accounts. Mr. Wachsman was formerly head of the cotton futures brokerage firm of Alvin Wachsman & Co., which has been dissolved.

## N. Y. Fin. Writers to Present 1959 Follies

The bulls will bellow and the bears will growl at the 18th annual caricature of business and industry, "The Financial Follies of 1959." The show, written and produced by the New York Financial Writers' Association, will be presented on Friday evening, Nov. 20, in the grand ballroom of the Hotel Astor, it was announced by Arthur R. Guastella, President of the writers' group.

The event usually is heavily oversubscribed, Mr. Guastella said in noting that subscriptions for the dinner and show must be received by the association before Friday, Oct. 16.

Major government officials and labor leaders have been invited together with key persons in business, industry and finance to see a presentation and interpretation of their mistakes and misdemeanors of the year.

## All State Inv. Corp.

All-State Investors Corporation is engaging in a securities business from offices at 860 West 181st Street, New York City.

## Capital Growth Distrib.

Capital Growth Distributors, Inc. is conducting a securities business from offices at 366 Fifth Avenue, New York City.

# The Rich Natural Resources Of Canada's Ungava Region

*Continued from first page*

mining — and power projects in the region. To a degree, though by no means entirely, the investing public will be barred from direct equity participation in these ventures since much of the iron mines will be developed as enterprises of American and Canadian steel companies and the power development will very likely be the result, mostly of public debt financing. Alert investors, however, won't lack for opportunities to place funds profitably.

### The Great Labrador Trough

While the existence of iron ore in this Quebec-Labrador area had been known for a half century or thereabouts, how extensive the deposits really were was not known until a decade ago and then not fully. It is only in the last five years that the steel and ore companies have admitted to themselves what they could have ascertained earlier, if they could have become a little more credulous a little sooner. Extensive recent explorations have justified the most sanguine hopes entertained for the region. As generous as the original estimates of ore tonnage in the area were, they must now be revised sharply upward, probably by as much as 100%. It is known now that there is around 10 billion tons or nearly twice as much ore of 30-38% iron grade in the so-called Labrador Trough as in the Mesabi, traditional source of a great deal of the raw material feeding American steel furnaces. Just as important, too, the ore in the trough is more easily beneficiable than the Mesabi product. It is so friable, it crushes easily in the hand. It is thus simple and inexpensive to mine and process.

The Labrador Trough extends—as a thick vein of indeterminate dimensions—in a great semi-circle from the northern tip of the Peninsula of Ungava, along the western shore of Ungava Bay, down to Knob Lake on the Quebec-Labrador border and, from there, through a mountain range to Wabush Lake, continuing westerly to Mount Wright and Lake Albanel and on toward James Bay. There are other iron occurrences in the region, however, notably in the vicinity of Hudson's Bay, just north of James Bay, and in the Belcher Islands in Hudson's Bay itself. The ore at Knob Lake is of high grade, containing 51% or more iron. In general, the ore in the trough and the region generally is of the somewhat lower but very easily beneficiable grade. Explorations are still continuing in the region, however, and the final chapter on just how much ore there is in this region and of what grade has still to be written.

The fact that steel companies, representing 90% of the U. S. steel ingot-producing capacity and a substantial portion of the Canadian steel tonnage, have a direct interest in mining properties in, and contiguous to the trough assures, of course, a market for the ores of the region. In some cases, this interest is represented by participation in projects initiated or backed by ore companies. A typical pattern of development is for the steel companies or ore companies themselves to pick up options from—exploration or promotion companies, holding original claims or concessions on known mineralized zones. Recent decisions to go ahead with the building of actual mines on many of these claims have of course removed much if not all of the speculative character formerly associated with some of these activities.

### Bethlehem Steel Interested

Indicative of the growing interest of the steel producers in the area was the entry of Bethlehem Steel Corp. on the scene a little less than a year ago when it picked up a portion of Republic Steel's interest in Iron Ore Co. of Canada and the decision made by Bethlehem somewhat more recently to participate with Iron Ore Co. in a separate venture under the name of Carol Lake Mining Co. to develop the extensive low grade ore bodies on concessions near Wabush Lake held by Iron Ore under an arrangement with Labrador Mining & Exploration Co. The Carol Lake property adjoins that held by Wabush Iron Co. under lease from Canadian Javelin and already Carol Lake Mining and Wabush Iron have formed a joint subsidiary, Carol Lake Railway, to take over construction and operation of a 42-mile railway spur from the Quebec North Shore & Labrador Railway track in to their adjacent lands.

Besides Bethlehem and Republic, other big steel and ore companies with interests in Iron Ore Co. are Youngstown Sheet & Tube; M. A. Hanna Co.; Armco Steel Corp.; Wheeling Steel; National Steel, and Hanna Coal & Ore Corp. Iron Ore is developing the concessions of Hollinger North Shore Exploration Co. in Quebec, as well as of those of Labrading Mining in Labrador. Companies participating with Pickands Mather & Co., the big Cleveland iron ore company, in the development of the big Javelin deposit at Wabush Lake, reported the largest single iron ore deposit in the world, under the name of Wabush Iron, are Youngstown Sheet & Tube; Interlake Iron; Mather Iron Co., and Steel Co. of Canada. Quebec Cartier Mining Co., subsidiary of United States Steel Corp., is developing large iron ore deposits somewhat to the west of the Lake Wabush area.

In the same general region, and also on the Quebec side of the border there, Normanville Mining Co., representing the interests of Jones & Laughlin Steel Corp. and of Cleveland Cliffs Iron Co., holds options on the iron ore property owned by Quebec Cobalt & Exploration. It is Cleveland Cliffs also which is interested in the development of iron ore deposits in the Lac Albanel section. The latest word from this project is that Cleveland Cliffs is in the process of taking out a large bulk sample of ore for pilot plant treatment in order to check laboratory work done on drill hole cores. The Canadian National Railway, too, has already completed right of way surveys in order to extend its trackage to that area though, naturally, there is no intent to build any railway there until that project definitely goes ahead.

### Grants Operating Licenses

From 300 to 500 miles north of Schefferville, where Iron Ore Co. is now operating its big mines, are the properties of Atlantic Iron Ore and Oceanic Iron Co. held under concessions from the Province of Quebec. Just this year, the Quebec Department of Mines at Quebec City granted operating

*Continued on page 29*





# Canada: 1959 A Milestone Year

*Continued from page 27*

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 —Canadian $ §— | Quotation June 30, 1959♦ —Canadian $ §— | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| Bowes Company Ltd.<br>Manufactures, importers, and wholesalers of confectioners' and bakers' supplies. | 5 | 1.50 | 39½ | 3.8 |
| British Columbia Packers Ltd. "B"<br>Packs salmon, clams, oysters, etc. with plants in British Columbia, Nova Scotia and Manitoba. Brand names are "Clover Leaf" and "Rupert Brand". | 5 | 1.00 | 17¾ | 5.6 |
| **Campbell Red Lake Mines Ltd.**<br>Ontario gold producer | 8 | 0.375 | 10⅞ | 3.4 |
| **Canadian Arena Co.**<br>Operates Montreal Forum | 6 | 4.00 | b160 | 2.5 |
| Canadian General Securities Ltd. "B"<br>Investment holding company. | 5 | 1.00 | a18 | 5.6 |
| **Canadian Ice Machine Co. Ltd.**<br>Engaged in air-conditioning and refrigeration field from manufacturing to installations. | 8 | 0.10 | ‡ | ‡ |
| Canadian International Investment Trust Ltd.<br>Management type of investment trust | 9 | 0.85 | 20 | 4.3 |
| **Castle Trethewey Mines Ltd.**<br>Silver producer, also has considerable investment portfolio | 8 | 0.15 | 5.40 | 2.8 |
| Combined Enterprises Ltd.<br>Owns & operates companies mfg. food flavors, paints, industrial rubber goods, moulded drug sundries, elevator gears & machinery. Plants in Montreal, Toronto and Farnham, Ont. | 7 | 0.60 | 12½ | 4.8 |
| Command Oils Ltd.<br>Holding company whose main holdings are in companies engaged in searching for oil. | 8 | 0.03 | b0.50 | 6.0 |
| **Consolidated Bakeries of Canada Ltd.**<br>Holding Co. through subs. operates 19 bakeries in Ontario & Quebec | 7 | 0.50 | 9½ | 5.3 |
| Consolidated Discovery Y'knife Mines Ltd.<br>Gold producer, Yellowknife Dist., N. W. T. | 6 | 0.25 | 3.90 | 6.4 |
| **Dominion Scottish Investments Ltd.**<br>Investment trust of management type | 8 | 1.00 | 36 | 2.8 |
| DuPont of Canada Ltd.<br>Manufactures chemicals, textile fibres, commercial explosives, etc. | 6 | 0.50 | 26 | 1.9 |
| Edmonton Concrete Block Co. Ltd.<br>Manufactures concrete blocks and lightweight aggregate. Capacity is 20,000 8-in. blocks per day. | 5 | 0.24 | 2.95 | 8.1 |
| **Empire Life Insurance Co.**<br>Operates as life insurance co. | 9 | 0.90 | 67 | 1.3 |
| **General Bakeries Ltd.**<br>One of Canada's largest independent bakery operations. Makes bread, cakes, biscuits and confectionery | 9 | 0.30 | 8⅞ | 3.4 |
| **Giant Yellowknife Gold Mines Ltd.**<br>Gold producer Yellowknife area, N. W. T. | 7 | 0.30 | 8.25 | 3.6 |
| **Hughes-Owens Co. Ltd. "B"**<br>Mfg. & retailer of drafting equip. scientific instruments & artists' supplies | 7 | 0.40 | b14 | 2.9 |
| Interior Breweries Ltd.<br>Operates 2 breweries with combined capacity of 70,000 barrels per year. | 9 | 0.24 | 4.50 | 5.3 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
a Ask.
b Bid.
‡ No exchange trading.

| | No. Consecutive Years Cash Divs. Paid | Cash Divs. Including Extras for 12 Mos. to June 30, 1959 | Quotation June 30, 1959♦ | Approx. % Yield Based on Paymts. to June 30, 1959 |
|---|---|---|---|---|
| | | —Canadian $ §— | | |
| **International Bronze Powders Ltd.** Holding co. Subs. manufacture bronze and aluminum powders | 9 | 0.70 | 19¼ | 3.6 |
| **Interprovincial Building Credits, Ltd.** Home improvements financing | 8 | 0.70 | 11¾ | 6.0 |
| **Interprovincial Pipe Line Co.** Owns & operates crude oil pipeline from Red Water, Alta. to Superior, Wis. and Sarnia, Ont. 1,770 miles | 7 | 2.05 | 51 | 4.0 |
| **Jamaica Public Service, Ltd.** Holding company. Holds all common stock of Jamaica Public Service Co. Ltd. which serves Jamaica with light & power from 2 steam electric, 5 hydro-electric and 4 diesel power generating stations. Capacity 66,645 hp. | 7 | 0.625 | 23½ | 2.7 |
| Jockey Club Ltd. Operates several horse race tracks in Ontario | 8 | 0.10 | 2.45 | 4.1 |
| **Lambert, Alfred, Inc. "B"** Manufacturers, wholesalers and retailers of footwear goods | 9 | 0.65 | 14 | 4.6 |
| **London Canadian Investment Corp.** Investment trust, management type | 9 | 0.30 | b10½ | 2.9 |
| **Lower St. Lawrence Power Co.** Quebec electric utility | 9 | 1.00 | 32 | 3.1 |
| **MacKinnon Structural Steel Co. Ltd.** Fabricates and erects structural steel. | 7 | 1.00 | b14 | 7.1 |
| Mailman Corporation Ltd. Operating and holding co. Subs. engaged in manufacture of rubber, canvas and plastic footwear, etc. | 5 | 0.60 | a20 | 3.0 |
| Manitoba and Saskatchewan Coal Co. Ltd. "B" Mines and wholesales lignite coal. Capacity: 850,000 tons per year. | 5 | 0.50 | 5 | 10.0 |
| **Mexican Light & Pr. Co. Ltd.** Directly and through subsidiaries operates lighting and power systems in Mexico City. | 6 | †1.00 | 14¼ | 7.0 |
| **New Dickenson Mines Ltd.** Gold producer Northern Ontario | 6 | 0.15 | 2.55 | 5.9 |
| Northland Utilities Ltd. Distributes electric power and gas to several cities in Western Canada. | 8 | 0.45 | 15½ | 2.9 |
| **Parker Drilling Co. of Canada Ltd.** Owns & operates oil drilling rigs in Western Canada | 7 | 0.30 | 3.10 | 9.7 |
| **Quebec Telephone** Provides telephone services to some 300 towns & villages in 17 counties of Eastern Quebec | 9 | 0.90 | 31 | 2.9 |
| **Quemont Mining Corporation Ltd.** Produces gold, silver, copper, zinc, and pyrites in Quebec | 9 | 0.85 | 10½ | 8.1 |
| **Reitman's (Canada) Ltd.** Through holdings of 3 subs. operates 86 retail clothing stores in Ontario and Quebec | 9 | 0.75 | 37½ | 2.0 |
| **St. Lawrence Corporation Ltd.** Newsprint and allied products | 9 | 1.00 | 18⅞ | 5.3 |
| **Switson Industries Ltd.** Mfgs. vacuum cleaners, floor polishers, gas heaters, furnaces, etc. | 7 | 0.28 | 4.00 | 7.0 |
| **United Keno Hill Mines Ltd.** Silver-lead-zinc-cadmium producer, Yukon | 6 | 0.26 | 4.15 | 6.3 |
| **Victoria & Grey Trust Co.** Operates as trust company | 9 | 1.20 | 40 | 3.0 |
| **Wood Alexander Ltd.** Operates wholesale hardware business | 9 | 0.30 | 6 | 5.0 |

♦ Quotations represent June 30, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 30, 1959.
§ Add current Canadian Exchange Rate.
a Ask.
b Bid.
† Adjusted for stock dividends, splits, distributions, etc.

# The Rich Natural Resources Of Canada's Ungava Region

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licenses to these companies which, in substance, means that they are given two years in which to bring the iron ore deposits at those locations into production. Ungava Iron Ores Co., formed to work the Atlantic properties, has completed preliminary explorations of its major site off Hopes Advance Bay on Ungava Bay. Partners of Ungava Ores met early this summer to reexamine their plans and to assess the likelihood of being able to move with any real speed. No final conclusion was reached as it was decided large scale blast furnace tests of pellets concentrated from the ore should first be undertaken in Europe this fall.

### Plan $300 Million Project

Ungava Ores, popularly referred to as the Cyrus Eaton interests in the iron ore of the Quebec Far North, estimates the cost of bringing its project operation at just under $300 million, exclusive of costs of a transhipment station on the island of Greenland. The company's present plans are to roast concentrate and pelletize the ores at Hopes Advance Bay and then to ship the pellets to Greenland for transshipment to Europe, probably to Rotterdam. Use of a Greenland port as a transshipment point is regarded as necessary because of ice conditions in Ungava a large part of the year. The company is not concealing its desire to complete preliminaries in connection with the project this year and to start on mine development next summer, if at all possible.

As with so many of the iron ore developments of this region, Ungava Ores represents a syndicate of steel and ore companies anxious to share in the venture. These include Cleveland Cliffs Iron Co., Steep Rock Iron Mines Ltd. and five steel-makers of West Germany — Krupp of Essen, Hoesch Westfalen-Huetten of Dortmund, Huettenwerk Oberhausen, Mannesmann of Dusseldorf and Gusstahlwerk Buchumer Verein. Still farther to the north, off Payne Bay, are the properties of Oceanic, representing the interests of Rio Tinto Mining Co. of Canada. Like Ungava Ores, Oceanic would ship its pellets to Greenland for transshipment to Europe but, in its case, probably to England. Oceanic has disclosed that its plans have proceeded to the stage even of planning a town site, as well as erecting a treatment plant, but says it is awaiting favorable markets and especially financing to go ahead with the job.

This tabulation by no means exhausts the list of likely iron ore developments in this general area. Consolidated Fenimore Iron Mines has done extensive exploratory work on a concession in the lower Ungava Bay region, a project which seems at least temporarily on the shelf, however, probably awaiting a more favorable marketing situation and satisfactory financing arrangements. The same company has been reported drilling in the Lac D'Aigle area, near Mount Wright. Canadian Javelin, in addition to holding a valuable concession at Julian Lake, near Wabush Lake, in Labrador has other mining properties on the Quebec side of the border at the same general location, all near Mount Wright. These include properties at Javelin Lake, Chance Lake, Simone Lake, Gensart Lake, O'Keefe Lake, Purdy Lake, Audrea Lake, East Lake, North Lake, Pekans River, Georget Lake, Harvey Lake, Star Lake, Cotton Ball Lake, Claire Lake, and Sneak Lake.

Under an arrangement with Pickands Mather which acquired from Javelin the railroad right of way from the Quebec North Shore main line into Wabush Lake, Carol Lake Railway, success to Wabush Railway, will build a spur line into Julien Lake when Javelin is ready to bring the iron deposits at that location into production. Great Whale Iron Mines Ltd. has carried out extensive geological mapping, diamond-drilling and ore testing of its iron prospect 35 miles inland from Hudson's Bay where large tonnages of low-grade iron formation have been indicated. Belcher Mining Corp. Ltd. and Ultra-Shawkey Mines Ltd. have explored low-grade, iron-bearing deposits on the Belcher Islands in Hudson's Bay and Baffin Island to the north respectively, islands more or less adjacent to the Ungava pensinsula, Way to the south but still part of the region is the ilmenite ore deposit being mined by Quebec Iron & Titanium Corp. near Havre St. Pierre on the north shore of the St. Lawrence which it smelts electrically at Sorel, obtaining a high grade pig iron as a by-product of titanium production.

### Iron Ore Solves Problems

Aside from the Quebec Iron operation, the most advanced of all the other iron mining projects named and the only one of them in actual production is Iron Ore. As pretty much the pioneer project for the area, Iron Ore has had some unique problems to face which it has done with imagination and ingenuity. When it ran into water in its deep open-pit mining, it sunk wells far below the level of actual mining excavations and succeeded in draining off this water faster than it could settle, thus leaving the pits free for mining operations. Being so far from the centers of population and industry, the company realized it would have to do its own repairing of equipment on the spot and so built what must be considered as model shops for general equipment repair at Schefferville and for railway equipment repair and servicing at Sept Isles, terminal point on the St. Lawrence from which the ore is shipped by water either up to Sorel for transshipment by rail to steel mills in the U. S., up the St. Lawrence Seaway or down the Atlantic Coast.

U. S. Steel is pushing its big Quebec Cartier project, in order to get it into production by next year. The company has 4,500 men at work there this summer, chiefly on the 193-mile railway in from Port Cartier on the St. Lawrence northward to Lac Jeannine but also on the concentrator at that point. Rather elaborate docking facilities are also under construction at Port Cartier where initial facilities to handle eight million tons of concentrate for shipment by water are being installed. Actually, L-shaped an inlet from the bay is being blasted out of solid rock. Not too much additional work would have to be done on the inside arm of the inlet to increase the shipping capacity to 20 million tons a year Most of this work would consist of laying of more railroad trackage than now planned and also of more loading belts to permit ships

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# The Rich Natural Resources of Canada's Ungava Region

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docked on each side of the inside arm to be loaded at once.

The company's plans do not end with a contemplated 20 million-ton shipping capacity, however. The blueprints already allow for construction of a full T-shaped inlet by including another inside arm, as an extension of the first but in the opposite direction, to facilitate the shipment of 40 million tons of concentrate a year. How much ore this is can be appreciated from the fact that until recently the known plans of the steel and ore companies of the entire area called for the shipment of only 20 million tons altogether. The inlet is designed also to handle ore vessels of 100,000-tons, larger than anything of the kind now in existence. Presumably, vessels of this size could only go to Rotterdam which could mean that U. S. Steel may be competing for foreign ore business. U. S. Steel has also started preliminary work on a townsite to be erected at Port Cartier.

### Ice-Free Ports

A feature of Port Cartier, as of Sept Isles, across the same bay on the north shore, not to be missed is that the St. Lawrence is ice-free at that point during the winter months. This same feature extends to the Port of Baie Comeau a little farther upstream where some new grain elevators are going up to serve the seaway traffic. What all this means is that iron ore — and wheat, too can be shipped out of this area during the cold months of the year —to Atlantic Ocean and other world destinations. The proximity of Sept Isles and Port Cartier to Baie Comeau also means that it will be possible for the same upperlakers to haul wheat downstream along the seaway route and iron ore upstream over the same route, thus achieving maximum economies of transportation along the seaway route. These three ports will certainly be generating a lot of traffic all year around. The elevators, being erected by Cargill Grain, will eventually have a capacity of 25 million tons or more than now installed at Montreal, though initial plans call for the construction of only 15 million capacity.

An idea of the amount of industrial construction going on in this rather remote corner of the continent is afforded also by the fact that 2,000 men are right now busy at work on a second hydro-electric plant being erected by the Quebec Hydro-Electric Commission on the Bersimis River. A first plant of 1.2 million horsepower capacity went into operation on the Bersimis only last year. This first plant, known as Bersimis 1, is already delivering the largest known block of commercial a. c. power by high voltage (300,000 volts) transmission, a total of 4.8 billion kilowatts a year, over the longest distance, 400 miles altogether, to Montreal, anywhere in the world. If all goes on schedule, the second plant, Bersimis 2, will be ready to generate electricity by November. This plant will have a generating capacity of 800,000 h.p. Over one million yards of concrete have already been poured to construct the dam at this site which will be the largest dam in all of Canada.

### Hydro on the Bersimis

Bersimis 1 and 2 are the first of the big new hydro-electric installations to be made in New Quebec. Erected at a cost of $400 million, they will be delivering power to distant but also to nearby consumers. Bersimis 1 power is now going to Quebec City as well as to Montreal, also to British Aluminium for the smelting of aluminum ingot at Baie Comeau, also to Gaspe mining and industrial companies via underwater cable across the St. Lawrence River. Bersimis 2 will firm up the flow of this power to all destinations. A new, modern mining and industrial community is already under way and growing up in this area. British Aluminium has a capacity of 90,000 tons of ingot per annum but is planning to double this within the next few years.

The Bersimis power plants are themselves examples of the most modern to be found in hydro-electric installations anywhere. Huge generators, rated at 150,000 h.p. but capable of achieving 50,-000 h.p. more than that — most powerful of any now on the entire continent—are operating now in the power plant of Bersimis 1, constructed under a mountain, deep underground, to permit the mountain rock itself contain the enormous water pressures. Generators being installed in the Bersimis 2 plant now are rated at 180,000 h.p. Harnessing the Bersimis for power involved conversion of a total head of over 1,000 feet, consisting of a series of falls and rapids over a distance of 40 miles, into two vast reservoir systems.

The Manicouagan and Outarde Rivers, just a little to the east of the Bersimis, will probably be the next waterways to be harnessed in the area. These two rivers will be developed as a single hydro-electric system, according to present plans. Possessing between them a total of 6 million h.p. of potential energy, this river system will, it is thought now, be developed in three steps, depending on what need there might be for the power. The Manicouagan-Outarde could support a tremendous aluminum industry at Baie Comeau or elsewhere in the neighborhood, for instance. Baie Comeau is mentioned because there is the start of an aluminum industry there although no plans of this dimension have been made for such a development, as far as known.

In the Saguenay River region, to the north and west of here, 3.6 million h.p. of hydro-electric power, including 1 million h.p. now under construction, supports an aluminum output of nearly 600,000 ingot tons a year by Aluminum Co. of Canada. Already the world's largest single aluminum production area, this St. Lawrence north shore region could easily take over the job of satisfying an even larger part of the world need for this metal. Because of the availability of good water transportation, it would be no problem to haul bauxite or alumina for smelting into the pig metal in this area. Since Quebec Hydro has pretty well settled the question of the economic feasibility of shipping electric long distances by high voltage transmisison, Manicougan-Outarde power could of course be utilized elsewhere than just immediately in the vicinity, whether at Baie Comeau or some other spot which might be picked by some industry for its utilization. It would be no insurmountable problem to ship it to Wabush Lake or Schefferville.

### Fresh Hydraulic Surveys

There isn't the slightest doubt that the big steel companies with iron ore interests anywhere on the Ungava Peninsula, from the St. Lawrence north to Payne Bay, would not hesitate for long to pick up some portion of hydro-electric energy available in the area if they could get it reasonably cheap. It has been reported that they certainly would sit up and take notice if two mill per kilowatt hour power were available to them. The likelihood is that power costs from hydro-electric installations in the region might run from somewhere around 3 mills per kilowatt hour in the southern section and maybe as high as 5 mills in some possible northern locations. Some good, solid engineering surveys must be made to determine exactly how much power is available at particular locations and at what cost and these surveys are being made.

Some information regarding the rivers of this north country has been known for some time but the data has been unreliable. By previous estimates, only 230,-000 h.p. of hydro-electric energy was available from the Bersimis, for instance, but Quebec Hydro is just completing a 2 million h. p. installation there. By the old data, the Manicouagan-Outarde system was rated at only 2 million h. p. but it is known now that there are three times that amount available there. It was the obvious need for accurate and dependable data on these northern rivers, in the face of a possible big local demand for it, which led originally to a decision to undertake fresh measurements of water depth and flow and the gathering of other necessary hydraulic data in the area. Quebec's Department of Hydraulic Resources has large numbers of engineers literally combing the area for the information desired. For not much longer can the Ungava area be described as an unexplored region.

The unreliability of previous data is indicated by the fact that even the Royal Commission on Canada's Economic Prospects, in its final report only two years ago rated the several rivers on the St. Lawrence North Shore at only four million h. p. The corrected figure is 11.5 million. This new estimate covers the capacity of the Bersimis and Manicouagan-Outarde, as of the Moisie, St. Marguerite, St. Leon, Magpie, Romaine and Natasquan rivers, all flowing into the St. Lawrence. The Royal Commission also rated at only 6.8 million h. p. the combined potential capacity of all the rivers flowing into Ungava Bay, Hudson's Bay and James Bay. The corrected figure here is 10.1 million h. p.

### Progress at Fort Chimo

A party of young engineers, working with the help of plane and helicopter in a survey of the region around Fort Chimo, the Eskimo settlement just off Ungava Bay, 600 miles north of the St. Lawrence, in a preliminary estimate, place at 3.5 million h. p. the potential of the Kaniapiskau River and tributaries and another 500,000 h. p. some smaller rivers farther north, all emptying into Ungava Bay. There are also other rivers to be measured in the region whose totals of potential would have to be added to the computations already made. The problem in the north is complicated by the late thaw, coming in the first half of June, when great ice jams form as the water, representing a winter's accumulation of moisture, tears through gorges and over huge falls to the sea. Careful measurements of winter conditions have disclosed that, with proper control, a sufficient flow of water can be maintained year around to provide a steady and reliable source of electric energy in the area.

Two big rivers, Fort George and Broadback, flowing into Hudson's Bay are now rated at 2.5 million h.p., added together, and five rivers, flowing into James Bay — Eastmain, Rupert, Megiscane-Nottaway and Harricana—have between them a total of 3.6 million h. p. In addition, there are some rivers in the interior of New Quebec, tributary to other rivers, which still have to be measured for any possible hydro-electric energy of dimension. The Chamouchouane River in the Chibougamau area is one of these. This river is now rated at 150,000 h. p.

### Big Hydro-Electric Pool

Conservatively, a total of 18 million h. p. of hydro-electric energy still remains to be harnessed in the Quebec Far North. This is equal to over half of all the hydro-electric capacity now installed and in operation in the United States. It is somewhat more than all the hydro-electric capacity installed and now in operation in Canada itself. There are about 35 million h. p. of installed capacity in the U. S. and 17 million h. p. of installed capacity in Canada. If to the 18 million h. p. of potential for New Quebec is added the 6.5 million h. p. of potential estimated for the Hamilton River in nearby and contiguous Labrador, the total for the entire area rivals the 30 million h. p. of optential estimated for the Congo River in Africa, the largest known single pool of hydro-electric energy known to exist any place in the world.

Some conception of the speed with which events are moving in the whole Ungava area of Quebec can be gleaned from the fact that three big airlines now serve the area with regular flights. Nordair provides service from Montreal to Roberval and Chibougamau and also from Montreal to Fort Chimo and, even beyond, to Frobisher. Quebecair serves Montreal, Quebec, Forestville, Baie Comeau, Lac Jeannine, Sept. Isles, Rose Bay and Shefferville. Trans-Canada provides regular service between Montreal, Quebec, and Sept Isles. In addition, Iron Ore Co. operates Ungava Transport, providing air service largely for company personnel, between Sept Isles and Schefferville, on top of running the Quebec North Shore & Labrador Railway as a public carrier for passenger as well as ore traffic between these two points.

## Harris, Upham to Hold Fall Lecture Series

Harris, Upham & Co., 99 Park Avenue, New York has announced that an informal, complimentary investment series will commence Monday, Sept. 28, at 7:30 p.m. in the firm's 99 Park Avenue office.

The 60-minute lecture and discussion periods, planned also for Oct. 5, Oct. 12 and Oct. 19, will treat, in order: "The Stock Market And How It Operates" by Mrs. Rose M. O'Neill, registered representative; "Investing For the Future" by Thomas B. Meek, office manager; "Individual Investment Planning" by Mrs. O'Neill; and "The Value of Research Behind All This Planning" by Percy S. Weeks, manager of the firm's Investment Advisory Department.

# A Deferred Free Gold Market Means a Still Higher Price

*Continued from page 3*

from one extreme to the other extreme in a long term cycle. It disregards a fact that should be obvious to anyone except that person who buries his head in the sand, namely, that ours is the complete antithesis of that former age of frugality, integrity, and morality.

**Conditions Exist for More Revaluation**

Must we look further to find justification for the second stage of the takeoff? A second great war has been fought. Debt has been piled on debt. This time the United States is the one that has become engulfed in a debt, one so fantastic that surely no informed person expects that it will ever be paid without a drastic write-down.

Aren't we repeating the mistake England made after World War I by trying to maintain our dollar at its pre-war relationship to gold? Fourteen years have passed since the end of that most destructive of all wars. We are showing no ability or even any intention of paying off our debts. Unlike Britain in that former period we can count on no one to rescue us from our folly or perhaps even to put off the inevitable readjustment to a later day although as indicated below we have contrived every way possible to postpone that day, ourselves. We talk about balancing our budget to stop inflation but we race ahead with little concern about the enormity of that budget which has grown to 20 times its size of 20 years ago and almost 30 times its size of 30 years ago. It is largely for non-productive purposes and therefore continues to dissipate our country's wealth in time of peace as in time of war.

We are going even further—we are misleading our people with the idea that a continuing prosperity can be built on such a debt structure and such a dissipation of wealth by burying the real evidence of a depreciating dollar at Fort Knox. We have attempted to eliminate gold as a measuring stick for all other values. We are trying to substitute our fiat dollar and make a piece of paper the measure of the price of every other article including gold itself. We are to "know the price of everything but the value of nothing." We are not to be trusted with real money because real money, gold, would measure and reveal the actual value of what we are calling money, but is really more like play-money in that it tends to carry us farther and farther away from all sense of real values.

Certainly those who think they can set an arbitrary price on gold, be they well - intentioned sound money crusaders, bankers, or government monetary planners, are only fooling themselves and borrowing future tragedy for the people of the nation. The magicians of John Laws' day, the Holland Tulip Craze, and the Mississippi Bubble, certainly had nothing on our modern day visionary alchemists who would have you believe that 35 paper dollars created in endless amount by the simple process of going into debt are just as good as an ounce of gold.

**Acting Before the Inevitable Crisis**

Are we, like Britain, to await the inevitable crisis to show us that our position is untenable, that the dollar has already been in effect, devalued, and that we must admit the increased value of gold in terms of our money?

The Chart shows the inevitability of this readjustment. The handwriting is already appearing on the wall. The United States by its artificial pricing is being eliminated from world markets. American industry is building plants abroad where costs are realistic. Foreigners are withdrawing our gold with disquieting regularity. What the spark will be that will force our hand is not for us to guess, but as confidence in our dollar continues to wane there may come a point where foreign holdings of our securities will be liquidated as a protection against an over - night decision which will be made for our monetary authorities whether they like it or not.

There is great fear of a free gold market in governmental circles as well as on the part of some of our bankers because a free gold market would prick the bubble of fantasy atop of which we are living. Some of our people would do well to recall the long discredited authors of a scheme to take away from the American citizen his inalienable rights to own real money and thereby place spending limitations on a government which no longer respects the wisdom of a minority. Apparently no one in authority has the initiative, even though he knows the good of the country is at stake, to make such a decision as a first step to establish real values again.

**Refers to John Sherman**

If John Sherman, Secretary of the Treasury at the time of the Civil War green-backs of 1962-78, were here today he would without a doubt have instituted a free gold market long before this, recognizing that the longer a free gold market is deferred, the more drastic will be the upward price surge. Did he believe that he or anyone else was wise enough to say the country should return to gold at the former price of $20.67 an ounce? Did he believe that he or anyone else was wise enough to say what the price should be? Did he entertain any notions that a higher price for gold would accelerate inflation? Did he yield to the great hue and cry that only the speculators and the gold miners would profit by a free market? Did he entertain any notions that either he or anyone else should have a free hand to regulate the money supply in case there should at any time be unemployment?

No. John Sherman knew the only honest money was money redeemable in gold. And that means "hard" money. He recognized the necessity of a free gold market to reveal the truth about irredeemable paper money. He recognized the function of gold to restore confidence and to guide the nation back to a sound currency basis. So, a free market was opened and gold sold as high as $50 an ounce. This was 2½ times the former price. As confidence returned this premium narrowed. When the date was finally set for resumption of specie payments the premium had disappeared entirely and no one presented any paper money for gold. Instead investors rushed in to buy the government bonds which they had previously shunned because of no confidence in the money. What a precedent!

In praising John Sherman for returning our country to redeemable money in 1879 some of our sound m o n e y proponents are strangely silent on this one important step. They never mention his institution of a free gold market apparently because they are afraid to allow gold to reflect the true value of the dollar. Their exhortations for a return to the gold standard at $35 to the ounce would therefore seem visionary and impractical if not actually dangerous, and certainly have a bearing on the attitude often expressed in Washington that the time is not right for a return to a gold standard and will not be right until conditions have returned to normal. Of course that time will never arrive until confidence is restored and it is difficult to see how confidence can be restored without a return to realities through a free market for gold.

**Answers Inflation Argument**

The bank bulletin referred to previously, which contends that the price of gold is "just 'right'," makes the statement that a higher price for gold would "create a monetary base for accelerating inflation." This brings up an interesting point. How can a monetary base accelerate inflation when there is no monetary base? Why has the price of gold any bearing on inflation as long as the United States citizen cannot convert his money into gold at any price? All he can do is speculate on what the ultimate value of his dollar may be. If he isn't allowed to know the truth can he be blamed for suspecting the worst? Are not our stock and bond markets already showing that a great many people are doing this very thing?

**Diverts Gold Supply**

The $35 price for gold is now little more than a state of mind, a holdover from a recent period during which the United States dominated the economies of the western powers, and before she went all out on her postwar inflationary binge. A few telling facts should make this perfectly clear and irrefutable. During the last 10 years some $9 billion worth of gold has been produced in the world outside the United States and Russia. We have acquired not one ounce of this gold. In fact we have lost some 4 billion in the last 10 years. Thirteen billion in gold have gone elsewhere. Of course there is only one possible explanation. The $35 price is wrong. Still some people seem to think we are supporting the price of gold and that without our purchases it would decline in price.

Yes, our government does buy the trickle of gold which is coming out of our own mines. Our government, in effect, says to its own citizens who are unfortunate enough to be gold miners, you sell all your gold to me for $35 an ounce or I'll put you out of business. You cannot sell it to anyone else even if they offer to pay you more. If there is any selling to be done I'll do it. We have already given an option to our friends across the water to buy the gold and they can exercise their option at $35 an ounce no matter what the value may be now or at a later date. Incidentally these foreigners not only have the exclusive right to exchange dollars for our gold but they have a first call on dollars in your pay envelope before you ever see them through our government's withholding tax and give-away program.

Of course this is not the only way our foreign friends acquire our money. Because of our flatulent dollar and our inflated costs of production they are taking our markets away from us not only abroad but in our own country and thereby increasing their dollar balances. This can hardly fail to be brought home to us shortly by the disappearance of corporation profits and increasing unemployment. Who is to blame for our high costs? There are some who will blame labor. Some will blame big corporations, some high taxes, or big government. The real culprit, however, and the one which permits all and encourages all other excesses and demands, our unrealistic costs and prices, is our paper dollar.

Can you imagine a more inflammatory situation and one foreboding of more ill for our nation than the present setup, an open-end dollar with government debt or less than nothing as its base, and an open invitation to outsiders to take away our gold under the above conditions?

**A Strategic Metal**

One more thought might well be added. What will be the most strategic metal in any future world war, should it come? Certainly not steel, certainly not copper, or aluminum. If future wars are to be fought with missiles, space ships, and what not, with their enormous costs, then real money, gold, will be a prime essential. That nation which has gold will hold its cost to a minimum. A nation which has no gold will be at the complete mercy of its enemies and its allies as well. This paper which we call money, will be unacceptable.

Inflation in the United States is not only out of hand as shown by our bloated annual budget, so much of it for non-productive and give-away and military purposes, but it is out of our hands. With no apparent c o n c e r n in high places, no apparent understanding of the value of gold to our economy, it appears that our destiny is in the hands of our foreign friends who know the value of gold, and, now that they have acquired our dollars through our largess will no doubt continue to take it away as long as they can at $35 an ounce. Yet we are told once again in this same bank bulletin that "determination to resist inflation can make deflation unnecessary."

This notion which seems general in banking circles, that our fiat dollar is the standard of value for the world, instead of gold, virtually assures that as a nation we are destined to learn the tragedies of fiat money the hard way, as other nations have. With the pitiable lessons of history to guide them, do these people really believe that inflation can be controlled by shifting debt from one account to another in our reserve banking system? Do they really believe we have any monetary office holders with the stamina to resist the popular clamor for further doses of inflation even if it could be so controlled? Without a gold base for our currency our nation is like a sailboat without a keel. No amount of determination on the part of the pilot can steer a sailboat against the wind if it has no keel.

Obviously only a sharply higher price for gold forced upon us by foreign withdrawals will compel us to change our reckless course. As surely as Newton's law of action and reaction has not been repealed, the message of this most illuminating chart is that our mountainous debt, public and private, is due for a drastic write-down. This will undoubtedly be expressed by a much higher price for gold in keeping with its value in relation to a depreciated paper money, the only kind of money in which that debt will ever be paid.

## Andrews, Posner Partner

Andrews, Posner & Rothschild, 52 Wall Street, New York City, members of the New York Stock Exchange, on Oct. 1 will admit Dorothy S. Mumford to limited partnership.

## Barrett to Admit

Barrett & Co., 61 Broadway, N. Y. City, members of the New York Stock Exchange, on Oct. 1 will admit John J. O'Connor, member of the Exchange, to limited partnership.

## Partnership Change

PITTSBURGH, Pa.—On Oct. 1, R. Burton Parker will become a general partner in Kay, Richards & Company, Union Trust Building, members of the New York and Pittsburgh Stock Exchanges. He will cease to be a limited partner on the same date.

### New Firm Name

WASHINGTON, D. C.—The investment business of Investor Service, 1823 Jefferson Place, N. W., is now being conducted under the firm name of Investor Service Securities, Inc. Officers are Samuel J. Gorlitz, President; Daniel M. Lyons, Vice-President; Jacques M. Heller, Treasurer, and Irene Eichner, Secretary. All were formerly with Investor Service.

### Harvey Streiner Opens

BRONX, N. Y. — Harvey Streiner is conducting a securities business from offices at 655 Pelham Parkway North.







# Mutual Funds

BY ROBERT E. RICH

## A Big Fellow Needs A Fund, Too

In the column of Sept. 17 (*"When a Fellow Needs a Fund"*) we dealt with the emotional selling of small-fry traders. As anyone who has remained close to the thinking of the financial community these past few weeks can attest, many Wall Street brokers and big-time traders also were in need of succor from the mutual funds.

Their need, to be sure, was vastly different from the little fellows'. The unsophisticated dabbler in stocks, as was noted here, needed professional investment guidance. The need of the big fellows was for support of the market in which they had "long" positions.

Many brokers and analysts have been saying these many weeks that institutional buying could turn the stock market around. And not a few of these people are the very ones who have long looked upon the mutual funds as business rivals and there have even been instances in which they shunned them as they would a leper. It is no secret, of course, that there are short-sighted Wall Streeters (their numbers are diminishing) who view the mutual funds as a challenge to commissions that would flow from customers trading in and out of stocks instead of committing themselves to a long-term diversified investment program managed by the funds.

Ironically, it was these very same foes of the funds who were saying, as the market gave ground, that buying by the funds could stem the tide. And there were those who hinted that the weakness in oil stocks could be traced to selling by the funds.

Now, it is not the function of mutual fund managers to support the stock market. It is not their business to bail out friend or foe. Fundmen are, first and foremost, trustees. Theirs is a terrible responsibility, the burden of making the savings of millions of people grow through judicious investment. If the funds have become spectacularly popular in the past decade, it is because the American butcher, baker and candlestick maker recognize that they have, on the whole, fulfilled this task extremely well.

It is not the task of the institutional managers to influence the market, although they can hardly avoid such a result, at times, in the light of their buying power. But if mutual fund managers were to make this their aim, then they would no longer be worthy of their high trust. And, you may be sure, this trust would no longer be forthcoming. And, as the people who did more to spread Wall Street to the 50 States of the Union than any other, they are not going to fry somebody else's fish.

Meanwhile, the Wall Street fraternity was getting a measure of comfort during the market spill from noting that the funds were not active on the selling side. And, with the hope that springs eternal within the human breast, there was the expectation that the funds would soon "take advantage of the opportunity to buy stocks on the bargain counter." (They were showing a strong preference for Treasury bills in recent days.)

From all this may yet emerge a better appreciation of the mutual funds by people, in and out of Wall Street, who have not always viewed them with favor. The financial community, which was quick to attribute the recent market weakness to emotional selling by small fry, might well ask how much more serious the situation would have been if even a fraction of the millions of people who own mutual funds had been shifting for themselves amid the baffling currents of tight money, foreign tension and labor unrest.

The mutual funds long ago made their mark with Mr. and Mrs. America. They have not been without friends in the financial community. And the day may not be distant when even the diehards will recognize the profound values in a field that has given guidance to a broad cross-section of the populace, which seeks investment direction and, unlike another generation, is not bent on the get-rich-quick "counsel" that built a flourishing trade at the expense of their fathers.

### Boyd Eckard Opens

PORTERVILLE, Calif. — Boyd S. Eckard is engaging in a securities business from offices at 404 East Olive Street under the firm name of Boyd Eckard & Co. Mr. Eckard was formerly with Hall & Hall.

### Irving Gitterman Opens

BROOKLYN, N. Y.—Irving Gitterman is conducting a securities business from offices at 251 East 55th Street.

### Now Proprietor

WESTFIELD, N. J.—George E. Handza is continuing the investment business of Faraday Securities from offices at 125 Florence Avenue. The firm was formerly located in Plainfield, N. J.

### Schweickhart Office

GREAT NECK, N. Y.—Schweickart & Co. has opened a branch office at 32 Middleneck Road under the direction of Jay E. Turner.



## The Mutual Funds Report

**Delaware Fund, Inc.** has called a special meeting of shareholders for Oct. 20 at Wilmington, Del., to obtain approval of a new investment advisory agreement.

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**Canada General Fund, Ltd.** which is invested in common stocks of Canadian corporations, announced election of Lionel Chevrier to the board of directors.

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**Parker Corp.** had declared a dividend of 12 cents a share, payable Oct. 15 to stockholders of record Sept. 25.

Robert J. M. Wilson has been made a member of the investment committee of **Tri-Continental Corp.**, a leading diversified, closed-end investment company, and the **Broad Street Group** of mutual funds.

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**Financial Industrial Fund, Inc. of Denver** has announced election of General Albert C. Wedemeyer and J. William Tempest to the board of directors. Financial Industrial Fund, founded in 1935, is a $155-million mutual fund and has more than 77,000 investors.

**Investor purchases** of shares of mutual fund shares during August totaled $175,825,000, the National Association of Investment Companies has announced. Purchases during July, 1959, amounted to $220,776,000 and, in August, 1958, they totaled $133,131,000.

Total net assets of the 155 mutual fund members of the association declined slightly during the month, it reported. They came to $15,402,117,000 at the close of August, 1959, compared with $15,532,827,000 on July 31, 1959, and $11,351,342,000 on Aug. 31, 1958.

The popularity of accumulation plans for the regular monthly or quarterly acquisition of mutual fund shares continued. During August, 1959, 33,441 new accumulation plans were started by investors. In July, 1959, 30,549 accumulation plans were opened. In August, 1958, 20,278 such plans were put into effect.

Redemptions of mutual fund shares by investors declined during August, totaling $58,532,000 compared with $73,704,000 for July, 1959, and $41,761,000 for August of 1958.

Assets of mutual funds are diversified among an estimated 3,500 securities of 2,000 corporations, the association pointed out. Mutual funds currently hold approximately 3.6% of the value of all equities listed on the New York Stock Exchange.

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**California investors** led the nation in purchases of mutual fund shares during the first six months of 1959 with a total of $194,299,000, the National Association of Investment Companies announced. New York was second among the states with purchases amounting to $181,643,000.

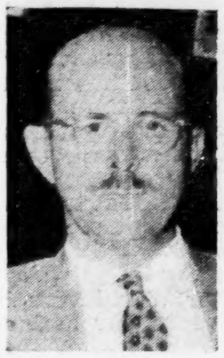
Nation-wide, purchases of shares in open-end investment companies by investors during the six-month period amounted to $1,153,979,000. Gains in mutual fund investments were registered in virtually every state.

The third state in purchases was Pennsylvania, where $76,818,000 was invested in mutual fund shares. Illinois was fourth with investments totaling $55,735,000 followed by Massachusetts with $48,645,000; Missouri with $47,306,000; Ohio with $41,948,000; Florida with $36,756,000; Michigan with $35,787,000, and Minnesota with $33,847,000.

Broken down regionally, investors in the Middle Atlantic states—New York, New Jersey and Pennsylvania — were in front in share purchases with a total dollar volume of $283,403,000. The Pacific region of California, Washington and Oregon was second with $235,195,000. Third was the East North Central region, composed of Ohio, Indiana, Illinois, Michigan and Wisconsin, where investors purchased $161,949,000 worth of mutual fund shares.

## Vonderhaar with Bache in Florida

FT. LAUDERDALE, Fla.—The appointment of Harry C. Vonderhaar as Resident Manager of the forthcoming Bache & Co. branch office at Fort Lauderdale, Fla., was announced by Harold L. Bache, Senior Managing Partner of the nation-wide investment firm. The new office will be the seventieth branch in the Bache network of offices throughout the world.



H. C. Vonderhaar

Mr. Vonderhaar, a lifelong resident of Cincinnati and veteran of the securities business, is a former Chairman of the Cincinnati Stock Exchange. He served in this post for a record-breaking three-term period.

He joins Bache & Co. directly from the N. Y. Stock Exchange member firm of Westheimer and Company (Cincinnati) where he had been a partner since 1947. His association with this firm dates back to 1932. Prior to entering the stock brokerage field, Mr. Vonderhaar was affiliated with the Fifth-Third Union Trust Co. and the Provident Savings Bank & Trust Co.

A director of the H. & S. Pogue Co., a leading Cincinnati Department Store, and a former long-time member of the Board of Trustees of the Cincinnati Stock Exchange, he also served recently on the Board of Directors of the Citizens Bank & Savings Co., Leesburg, Ohio.

### Columbian Securities

Columbian Securities and Mutual Fund Shares Inc. has been formed with offices at 882 East 180th Street, New York City, to engage in a securities business. Officers are Irwin Jonas, President; Seymour Dubbs, Vice-President; Eli Levine, Treasurer, and Gilbert L. Schutzman, Secretary.

### Inv. Fund Management

LITTLE ROCK, Ark. — Investment Fund Management Corporation has been formed with offices at 800 West Third Street to engage in a securities business. Officers are Harry H. Crow, Jr., President and Treasurer; and Tilmon Waters, Secretary. Mr. Crow was formerly with Merrill Lynch, Pierce, Fenner & Smith Inc.

# News About Banks and Bankers

*CONSOLIDATIONS*
*NEW BRANCHES*
*NEW OFFICERS, ETC.*
*REVISED CAPITALIZATIONS*

William R. Cross, Jr., has been elected a Vice-President of **Morgan Guaranty Trust Company of New York**, it was announced Sept. 18 by Henry C. Alexander, Chairman. Mr. Cross will be assigned to the bank's general banking division. He had been a Vice-President of The New York Trust Company since 1951.

William R. Cross, Jr.

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**The Chase Manhattan Bank, New York** on Sept. 22 elected Herbert P. Patterson, of the international department; David A. Scott, of the United States Department, and John G. Winger, of the petroleum department as Vice-Presidents.

Mr. Patterson joined the Bank in 1952, had been Assistant Vice-President since 1956. Mr. Scott joined the Bank in 1922 and had been an Assistant Vice-President since 1950. Mr. Winger was named a petroleum economist in 1956, after joining the Bank in 1950.

William H. Adams has been appointed an Assistant Vice-President of the trust department.

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**The Chase Manhattan Bank, New York**, announced on Sept. 16 that it completed the purchase of the **West Indies Bank and Trust Co., Virgin Islands.**

A unique provision in the merger agreement made it possible for 22,300 outstanding shares of Chase Manhattan stock, through an underwriting agreement, to be used as payment for the business and assets of the West Indies Bank and Trust Co.

The sale becomes effective at the close of business Sept. 16. With four offices in the islands, the West Indies Bank & Trust Co. had deposits of $10,420,000 and total resources of $12,304,000 as of Aug. 31, 1959.

The closing added four banking offices to Chase Manhattan's Caribbean branch system which now includes four offices in Puerto Rico, four in Cuba, four in Panama and two in the Canal Zone. Altogether, the bank will have 102 branches in New York City and 26 outside the continental United States and 10 representatives' offices in the U. S. and abroad.

The purchase had been approved on Sept. 2 by the New York State Superintendent of Banks and Banking Board, on Sept. 10 by stockholders of the West Indies bank and on Sept. 14 by the board of the Federal Reserve System. Directors of both banks had approved the merger earlier.

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Horace C. Flanigan, Chairman of the Board of **Manufacturers Trust Company, New York**, announced that Charles J. Stewart, formerly President of **The New York Trust Company, New York**, on Sept. 21 was elected President of Manufacturers Trust Company effective Nov. 2. Mr. Stewart will succeed Eugene S. Hooper who, in anticipation of retiring for reasons of health, wishes to relinquish the office as President but will be available as a consultant. Mr. Flanigan will continue as Chairman and Chief Executive Officer.

"Mr. Stewart," Mr. Flanigan stated, "will share with me the executive responsibilities of Manufacturers Trust Company. He has had more than 22 years experience in commercial banking and nearly seven years experience in investment banking.

"At the same time, it is a matter of sincere regret that Mr. Hooper, who has been with Manufacturers Trust Company for 30 years, finds it necessary to relinquish his office as President and to take on lighter responsibilities."

Mr. Stewart joined the Commercial Banking Department of The New York Trust Company in 1930. He advanced rapidly in banking through the offices of Assistant Vice-President, Vice-President, Trustee, and became President of The New York Trust Company in 1949.

Mr. Hooper began his banking career as a clerk in the auditing department of the **National Bank of Commerce of New York.** He later served in the bank's credit department and as the institution's traveling representative in the southwest territory. He joined Manufacturers Trust Company as Assistant Vice-President in 1929, became Vice-President in 1939, Senior Vice-President in 1951, and was the bank's senior loaning officer for some years prior to being elected President in 1956.

The appointment of John G. Ramer as an Assistant Vice-President was also announced by Mr. Flanigan.

Mr. Ramer joined the bank in 1927 and in 1955 was advanced to the position of Assistant Secretary. He is assigned to the Personnel Department, 45 Beaver St.

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Curtis P. Nunn, Assistant Vice-President of the **First National City Bank of New York**, died Sept. 18 at the age of 55. He was head of the retirement plan of the bank's 17,000 employes.

In 1929 Mr. Nunn became a clerk in New York for the National City Company. Later he was Assistant Treasurer and a Director of the City Company of New York, Inc. and Assistant Treasurer of the Stock Purchase Plan Corporation.

Mr. Nunn became Assistant Cashier of the National City Bank of New York in 1949 and Assistant Vice-President in 1951.

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**The First National City Bank of New York** opened its third branch on Third Avenue on Sept. 21 in quarters located at the intersection of East 63rd Street. During recent months the bank has opened branches at Third Avenue and 46th Street and Third Avenue and 72nd Street.

The new branch, which is First National City's 80th in New York City, will be under the supervision of William W. Carlough, manager, assisted by Herman A. Bonhag, Assistant Manager, and Miss Patricia McElroy, official assistant.

**Chemical Bank New York Trust Company, New York** has elected Gordon C. Griswold and Walter A. Miller to its Brooklyn Advisory Board, it was announced today by Harold H. Helm, Chairman.

Mr. Helm also announced on Sept. 23 that Frank G. Frederiksen and John B. Mencke, former Assistant Secretaries, have been appointed Assistant Vice-Presidents. Both are with the Bank's Metropolitan Division. Mr. Frederiksen is at the Bank's regional office at 54th Street and Broadway. Mr. Mencke is in charge of the Bank's 205 East 42nd Street Office.

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The election of Harold A. O'Callaghan as a Director of the **Federation Bank and Trust Company, New York**, was announced Sept. 17 by Thomas J. Shanahan, President.

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Dorcas Campbell, former Vice-President and Director of Public Relations of the **East River Savings Bank, New York** died Sept. 21. Miss Campbell had been with the East River Savings Bank since 1933. She was 63 years old.

Born in Fairland, Indiana, Miss Compbell received her Bachelor of Arts degree from the University of Michigan and held a Master of Business Administration from New York University, Graduate School of Business Administration.

In 1933 Miss Compbell entered banking at the suggestion of Darwin R. James the then President of East River Savings Bank.

Her first position at the Bank was in the capacity of Service Director in charge of new accounts of the head office. Promoted to Head Service Director in 1934, she was responsible for the coordination of new account business in the bank's five Service Departments. She rose to Assistant Secretary and subsequently was appointed Assistant Vice-President in charge of Public Relations. Charged with the responsibility of the Bank's Advertising and Public Relations Programs, she innovated new vistas in Financial Public Relations. In 1958 she was elected Vice-President, the first woman to attain the office of Vice-Presidency in the history of the East River Savings Bank.

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Frederick W. Jackson, across whose desk at **The Dime Savings Bank of Brooklyn, N. Y.**, has passed the major portion of some three-quarters of a billion dollars in home mortgages, observed his 30th anniversary with the century-old bank.

Since joining the staff of The Dime of Brooklyn as an inspector in its mortgage department on Sept. 23, 1929, Mr. Jackson has seen the bank's total resources rise from $156,000,000 to today's total of nearly $1,200,000,000. In those same 30 years, "The Dime's" mortgage portfolio has grown from $111,000,000 to more than $768,000,000.

After serving in various capacities in the mortgage department of the bank for 16 years, Mr. Jackson attained officer rank in December, 1945, when he was named Assistant Mortgage Officer. In 1949, he was appointed an Assistant Vice-President, and in 1956 was made a Vice-President.

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At **The Franklin National Bank of Long Island, N. Y.**, Arthur T. Roth has become Chairman of the Board and continues as Chief Executive Officer, it was announced. He was formerly Chairman of the Board and President.

Paul E. Prosswimmer was appointed President, vacating the post of Executive Vice-President. A Director since 1947, he heads the overall lending activities of the bank.

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The election of Roy W. Lawson and Robert E. Munroe as Senior Vice-Presidents in the General Banking Department was announced Sept. 16 by H. Frederick Hagemann, Jr., President of the **Rockland-Atlas National Bank of Boston, Mass.**

Mr. Hagemann also announced the election of Norman H. Lee as Assistant Cashier in the Commercial Loan Department.

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The corner of Western Avenue and Everett Street in Boston's Brighton District was just a vacant lot last Thursday; only four days later the **Rockland-Atlas National Bank of Boston, Mass.**, welcomed customers to the temporary headquarters of its new Western Avenue Office on this same site.

Construction of the permanent Western Avenue Office will be completed some time early in 1960.

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Stockholders of **The First New Haven National Bank, New Haven, Conn.** and **The Union and New Haven Trust Company, New Haven, Conn.**, will vote on the proposal to consolidate the two banks on Oct. 22.

The bank letters set forth the planned membership of the Board of Directors of **First Union New Haven National Bank**, as the new institution will be known.

The plan to consolidate was first announced on Aug. 24 when the Boards of Directors of the two banks unanimously voted in favor of the plan. Before the plan can be made effective, approval by the holders of two-thirds of the outstanding stock of each bank and by the Comptroller of the Currency is necessary.

According to the bank letters, the Comptroller of the Currency has already given preliminary approval to the consolidation. Following a favorable vote on the part of the two stockholder groups, the Comptroller would be in a position to issue his certificate of approval.

The Agreement of Consolidation provides for an exchange of stock on the basis of 1.20 shares of new stock (par $10) of the consolidated bank for each share of Trust Company stock (par $10). Stockholders of the First New Haven National Bank will receive for each share of that bank's present stock (par $10) one share of the new stock (par $10) of the consolidated bank.

The stockholder letters stated that all of the operating officers and personnel of both banks will be retained in comparable positions by the new bank.

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Harold S. Ashworth, President of the **Cheltenham National Bank, Cheltenham, Pa.**, died Sept. 14 at the age of 59.

Mr. Ashworth joined the bank as a teller when it was founded in 1924. He became President in 1947.

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The common capital stock of **The First National Bank of Jermyn, Pa.**, was increased from $100,000 to $200,000 by a stock dividend and from $200,000 to $250,000 by the sale of new stock, effective Sept. 10. (Number of shares outstanding—10,000 shares, par value $25.)

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Brison C. Tucker was elected President of **Eutaw Savings Bank, Baltimore, Md.**, succeeding Franklin P. Whitcraft, who retired.

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By a stock dividend the common capital stock of the **First and Citizens National Bank of Alexandria, Va.**, was increased from $1,000,000 to $1,100,000 by a stock dividend and from $1,100,000 to $1,350,000 by the sale of new stock, effective Sept. 10. (Number of shares outstanding — 135,000 shares, par value $10.)

* * *

**The National Bank of Detroit, Mich.**, will dedicate its new Main Office on Oct. 4.

National Bank of Detroit moved the customer contact divisions into the new building on the weekend of Sept. 11-14 without the loss of a business hour, and completed the transfer of all departments by Sept. 21.

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**Centerville State Bank, Centerville, Mich.**, was absorbed by **The First National Bank and Trust Company of Kalamazoo, Kalamazoo, Mich.**

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Preston Estep was elected a member of the Board of Directors of **Jefferson-Gravois Bank, St. Louis, Mo.**, Sept. 15, Relly E. Andrews, President, has announced.

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Lawson M. Watts, Vice-President in charge of the real estate loan department of **First National Bank in St. Louis, Mo.**, will retire under the bank's pension plan on Oct. 31, it was announced by William A. McDonnell, Chairman of the Board.

Mr. Watts has served First National in various official capacities for more than 33 years. He began his banking career in 1913 with the **First National Bank of Helena, Ark.** In 1915, he affiliated with the **Manchester Bank in St. Louis.**

In 1917, Mr. Watts joined the French Foreign Legion for duty in the European theater. When the United States entered World War I, he was transferred to the AEF as a staff sergeant and later was made Second Lieutenant.

In 1919 he joined the newly created First National Bank in St. Louis as Assistant Cashier. In 1922 he was promoted to Assistant Vice-President, and in 1929 he was elected Vice-President, a position he retained until 1935.

* * *

A merger certificate was issued on Sept. 4 by the Office of the Comptroller of the Currency approving and making effective, as of Sept. 5, the merger of **The Depositors National Bank of Durham, Durham, N. C.**, with common stock of $500,000, into **Security National Bank of Greensboro, Greensboro, N. C.**, with common stock of $2,500,000. The merger was effected under the charter and title of "Security National Bank of Greensboro," with capital stock of $2,875,000, divided into 575,000 shares of common stock of the par value of $5 each.

* * *

An increase in the capital stock of **Metropolitan Bank of Miami, Fla.**, from 150,000 to 225,000 shares and a 10% stock dividend has been voted by the bank's Board of Directors subject to approval of banking authorities, it was announced Sept. 17.

A. J. Harris, Chairman, said that if approval is obtained the stock dividend will be paid early next year.

He also announced approval by the board of a regular quarterly dividend of 20 cents per share payable Oct. 6 to stockholders of record of Sept. 25.

"It is the intention of our directors to maintain the same dividend rate on the new stock to be issued," he disclosed.

Issuance of the new stock and the 10% stock dividend are also subject to approval by the bank's stockholders at their annual meeting.

* * *

The common capital stock of the **Broward National Bank of Fort Lauderdale, Fla.**, was increased from $1,815,000 to $2,117,500 by the sale of new stock, effective Sept 4. (Number of shares outstanding — 211,750 shares, par value $10.)

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Ralph L. Jones was elected a Vice-President of the **National Bank of Commerce, Houston, Tex.**

* * *

Michael T. Halbonty has been elected Chairman of the Board, Dorsey D. Hopwood, President and Frank S. Meyer, Executive Vice-President of the **North Side State Bank, Houston, Tex.**

* * *

A charter was issued by the Office of Comptroller of the Currency to the **First National Bank of Kermit, Kermit, Winkler County, Tex.** The President is J. M. Waddell and the Cashier, W. R. Garner. The bank has a capital of $100,000 and a surplus of $150,000.

# A Better Future for Canadian— U. S. A. Trade and Other Policies

*Continued from page 4*

Without these efforts, commerce would naturally tend to flow north-south and would be international rather than inter-regional. We have, then, paid and will continue to pay, a high price for our nationalistic endeavor but we feel it is worth it.

**Retaining Cultural Identity**

(2) Culturally, the problem is even greater. With the population one-tenth that of the U. S., mass media circulation is difficult. There are few all-Canadian magazines which can operate economically. Thus, our newsstands are difficult to distinguish from those in any U. S. drugstore. The same is true of books, including textbooks—the "made in U. S. A." sign is predominant. Likewise, with radio and TV—it is simply not economic to present the amount and variety of programing in Canada as in the U. S. Thus, Canadian TV sets tune in more often than not to U. S. programs and our own TV and radio networks carry large proportions of U. S. material. So, it is hard to maintain a distinct Canadian culture—but we have tried and, I think, with reasonable success. For example, our thinking on many vital issues differs from that of the U. S. as do many of our customs. Generally, we tend to be a sort of "halfway house" between Britain and the U. S. in terms of many policies and customs. Often we retain these with ferocity but, if so, remember that we are always on the defensive. It would be so easy to succumb to the seductive lure of U. S. achievement and thinking; it would be cheaper to abandon our own radio and TV and simply tune in to U. S. stations. But we don't and won't, at least not completely. So we struggle to keep out of your seductive cultural embrace and to justify this we tend to be hyper-critical.

Also, remember that our basic institutions are British and we remain convinced that politically and, to a large extent, culturally modified versions of these are superior. Remember also that one-third of our population is French and this particular group fights even more strongly than the rest of us to maintain its traditions.

So we have a basic inferiority complex, a strong determination to maintain a separate and distinct identity which puts us on the defensive constantly and are suffering from rapid industrial growing pains which inevitably cause institutional change and this makes us more concerned than ever to prevent it from congealing into the precise mould created by rapid U. S. industrialization of the 19th and early 20th century. All of these factors tend to make us perhaps overly sensitive, a little touchy and maybe overly critical of the U. S. If we were separated from you by a thousand miles, things would be different. The fact is, of course, that most of us live within a stone's throw of the U. S. border. Though we have a nation of nearly four million square miles, more than half of our population lives within 800 miles of Chicago.

These factors tend to create certain inevitable frictions and should, I think, be borne patiently and with understanding by U. S. citizens.

**Understanding U. S. Trade Policies**

(3) But much of the current Canadian complaint is engendered by a complete lack of understanding by U. S. citizens and specific U. S. policies which seriously encroach upon or affect our internal affairs. When these are added to an inherent sensitivity, tempers frequently get out of hand as they have in recent years. Let me document the grievances. Most of them are economic but some involve broader issues of sovereignty, integrity, etc.

(1) **Wheat**—both our countries are plagued by surpluses. It is legitimate policy for each to try and move these and in our own way. But two factors create serious problems for Canada:

(a) Wheat is much more significant to Canada than to the U. S. —we are **very** vulnerable to any loss of markets. For example: Wheat production is much larger in relation to the domestic market in Canada than in the United States. In the five years, 1952-56, domestic markets in the United States absorbed an average of 619 million bushels annually, or 57% of an average annual U. S. production of 1,080 million bushels. In the same period, domestic Canadian markets used an average of only 157 million bushels annually, or 28% of the average annual Canadian production of 552 million bushels. Thus, Canada needs to export a much larger part of her total wheat crop than the United States.

Foreign trade statistics provide the most striking illustration of the relatively greater importance of wheat to Canada than to the United States. In the calendar year 1956, for example, wheat and wheat flour accounted for 12.2% of Canada's total exports in comparison with only 4.2% of total U. S. exports. Furthermore, our total exports constitute about 24% of our GNP whereas U. S. total exports constitute only about 4-5% of U. S. GNP. ["Wheat Surpluses" Canadian-American Committee, 1959.]

(b) The U. S. as a wealthier nation can more readily afford to give away or subsidize wheat sales abroad. Thus, what seems to be economically sensible policy for the U. S. has a tremendously adverse impact upon Canada.

Now, if the loss of markets to the U. S. were due to superior marketing skill, better product, etc., there would be no cause for complaint. The fact is, however, that in recent years under Public Law 480, the U. S. has been disposing of surplus products in an unorthodox manner which dries up Canadian markets.

Under this program when the United States gives away surplus wheat, cotton, tobacco, or other commodities in exchange for local currencies, it also makes a practice of requiring the recipient country to buy a stated quantity of its further requirements from the United States. Canada, as a competitor of the United States in selling wheat, loses not only the potential market satisfied by the give-away; it also loses the chance to supply a considerable portion of the remaining wheat which the recipient country must buy. ["Wheat Surpluses," op. cit.]

This is international dumping which causes serious harm to a good neighbor.

(The Canadian delegate) to the Geneva Agreement on Trade and Tariffs pointed out that his delegation did not object to genuine United States aid programmes and the extension of help to needy countries; indeed, within the limits of its capabilities Canada had also extended aid of this kind. Further, in more general terms his delegation had no objection to United States disposal programmes which had the effect of increasing consumption of the commodity in question by the amount of disposal. The main objection was that, by a variety of techniques such as export subsidization, sales for local currencies, barter deals and tied sales, the United States was promoting exports of wheat and flour with such determination and in such volume that it caused great damage to Canada's normal commercial marketing of these products. This was evidenced in export statistics from the United States and Canada in 1955-56 and 1956-57; while United States exports rose from 347 to 547 million bushels, in the same period Canada's exports fell from 309 to 261 million bushels and surpluses piled up. ["Wheat Surpluses," op. cit.]

Thus, though the U. S. was pursuing a policy designed to alleviate a serious domestic problem and though there was no intention of harming Canada, the fact is that Canada was seriously affected. Canadians resent very much the apparent indifference with which U. S. dumping was carried out. I am convinced that the harm done to Canada by this policy was far in excess of the benefits accruing to the U. S. not counting the strained relations.

(2) **Oil** — the basic economic problem here is that Canada has developed crude oil production facilities, under U. S. encouragement, well in excess of Canadian requirements. Thus, we must rely on exports to the U. S., especially to the West Coast and the Midwest which are economically tributary to the main Canadian oil fields in Alberta. Indeed, during the Korean emergency, the Office of Defense Mobilization indicated "the unusually high value of Canadian crude from a logistics standpoint," (John Davis, "Oil and Canada-United States Relations," Canadian - American Committee, 1959, p. 29) and exceptional priorities for steel pipe, oil-well drilling machinery and other equipment destined for Canadian oil fields were granted by U. S. authorities during the Korean campaign. Thus U. S. national defense interests were strongly in favor of rapid development of Canadian oil productive capacity during the Korean emergency. In 1957 and 1958, the flexibility of the national defense argument proved itself when import restrictions were imposed on Canadian, as well as Middle East and Venezuelan oil. National defense, therefore, supports a policy to encourage Canadian oil development at one time and to discourage it at another.

The result of the U. S. import quotas was to augment the already excessive world and Canadian supplies. As a result serious consideration was given in Canada to selling Alberta oil in the Montreal market despite the substantial extra costs involved. This would, of course, require protection and so restrictive policies, once begun, would tend to snowball.

Typical of press comment in Canada was the editorial of the "Montreal Star," Jan. 8, 1959:

"If U. S. defense henceforth is to be conducted on the basis of import restrictions, then it is clear that defense policy has changed since the day, seven years ago, when economic cooperation between Canada and the United States was considered essential. The document states:

"'It is agreed, therefore, that our two governments shall cooperate in all respects practicable, and to the extent of their respective executive powers, to the end that the economic efforts of the two countries be coordinated for the common defense and that the production and resources of both countries be used for the best combined results.'

"This declaration is being interpreted in Washington now to mean that 'the best combined results' can be achieved by keeping Canadian oil out of a market where it has proved to be the cheapest: an interpretation probably not in the minds of those who signed the agreement in 1950."

Illustrative of some comments appearing in the U. S. press are the following:

"Wall Street Journal," Jan. 3, 1958: "But in the new cutback, Canadian oil is to be accorded the same treatment as Middle East oil under the name of 'defense.' And that brings under question the whole import-cutting program. For it would appear that in this case, at least, what is really being defended by this artificial Federal restriction is the competitive position of the marginal U. S. oil producer."

"Journal of Commerce," Jan. 16, 1958: "What troubles us is the Administration's failure specifically to exempt from a quota system imposed for reasons of national defense the one foreign source of oil which could not by any means be considered as especially vulnerable on national defense grounds — namely, that just over the border.

"The Canadians know that import quotas, like excise taxes, have a way of sticking long after the original reason for them is forgotten. They fear there may be more to come, and, if imposition of the oil import curbs is followed shortly by a U. S. tariff hike or quota on lead and zinc, the effect of the long-range planning of Canada's export industries will be frustrating indeed, so far as the U. S. market is concerned."

These views, official Canadian protests to Washington and the logical untenability of the quotas finally led to their repeal as far as Canada is concerned on June 1, 1959.

Such episodes despite later recantations inculcate a feeling that since we cannot rely on U. S. policy, which is so often made according to the economic health of politically influential industries, we had better think about "going it alone." We would rather not but such niggardly, short-sighted policy causes one to pause a bit and does strain relations unduly.

(3) Direct interference with exports and imports: here three incidents are worth reporting.

(a) The parent company of the Ford Motor Company of Canada, Ltd. instructed its subsidiary not to entertain an order by Red China for some 10,000 cars and light trucks. Canada's policy toward Red China is much more liberal and I think more sensible than that of the U. S. and the sales would have been perfectly legitimate under Canadian law. Furthermore, the order would have expanded employment at a time when substantial unemployment existed. Here we have the "foreign domination" issue — a company located and incorporated in Canada for over 25 years could not operate in terms of Canadian export interests because of "external control."

(b) Then we have the case of the Frozen Red Shrimp. Since 1952 Canada has imported foodstuffs from Red China. The shipments dock at Vancouver and then move eastward via trucks. Because of a rather inadequate highway, the trucks, sealed at customs, detour over U. S. highways just as U. S. trucks use Ontario highways between Buffalo and Detroit. Recently, the trucks were stopped at the U. S. border without warning because the U. S. Government felt the hauling of frozen Red China Shrimp over U. S. highways threatened U. S. security.

At the present time this policy has been reversed but again the inability and unpredictability of U. S. actions creates antagonisms.

(c) Another incident involved a shipment of sesame seed from Red China. Due to a shipping strike in Vancouver, Canadian requested permission to unload at Seattle and tranship by truck under bond to Canada. The U. S. refused and the Canadian company was forced to pay extensive demurrage charges until the end of the strike in Vancouver.

Thus, because of differences in foreign policy Canadians suffer economic penalties. On occasion this looks like U. S. black mail designed to coerce a "good neighbor" to adopt an identical policy toward Red China. A sensitive nation may be expected to voice considerable anger over such incidents.

**Subtle Domestic Political Interference**

(4) But besides such tactless interferences with Canadian trade, there is the more insidious and subtle problem of alleged U. S. "domination" which created such a furor in the 1958 Canadian elections.

Factories controlled through U. S. parent companies account for one-third of all manufacturing plant sales and one-fifth of all Canadian factory employment. U. S. investments dominate (in terms of capital control) many key Canadian industries, — e.g., motor vehicles, 95%; petroleum, 68%; mining and smelting, 54%; chemicals, 51%.

Though U. S. capital is welcomed, and indeed required, to sustain rapid Canadian economic growth, many persons are wondering whether it might not be more desirable to risk slowing down growth to preclude the chance of becoming an economic satellite, especially in view of the direct interferences indicated above.

Other grievances with respect to U. S. controlled Canadian corporations are:

(a) Demands for stock participation by Canadians.

(b) Hiring of Canadians in key positions.

(c) More attention to community relations.

Indeed the Minister of Trade and Commerce suggested in a speech at Chicago in November, 1958, that:

"There is one field in which we feel that some friendly advice might not be taken amiss. You have established in Canada a great many subsidiaries. We think that your public relations in our country and your economic position might be improved with regard to these branch plants if some or all of the following suggestions were adopted.

"(1) Promote exports from Canadian subsidiaries including components for use in parent company plants.

"(2) Use as many Canadian materials and component parts in your Canadian operations as can be economically justified.

"(3) Do more processing of Canadian materials before export, where this can be done on a competitive basis.

"(4) Encourage and train Canadian personnel to take an increasing part in the management and professional positions in subsidiary corporations.

"(5) Carry out in Canada more research work and undertake new development.

"(6) Give local management greater autonomy in operating Canadian subsidiaries.

"(7) Offer Canadians opportunities to buy equity stocks in the subsidiary companies operating in Canada.

"(8) Encourage branch plants to participate more fully in the life of their communities."

Recently your antitrust laws were injected into Canada via U. S. subsidiaries though the subsidiaries were operating in accord with Canadian laws and Canadian commercial policy. The Minister of Justice angrily declared that

"such intereference is more than is fitting and acceptable."

**Norh American Defense**

Our two nations are completely interdependent in the area of North American Defense. The U. S. needs Canada as a "shield" and needs to maintain equipment and other forces on Canadian soil to detect and deter any surprise Soviet attack. Canada has become the Maginot Line of the U. S. On the other hand, Canada needs the U. S. because the Canadian military establishment could not possibly defend against (or even delay seriously) an attack.

Until last March Canada felt that she could make a major contribution to North American defense through production of the Avro Arrow — a 1,500 m. p. h. delta wing jet interceptor—which would be used by both U. S. and Canadian forces. The Canadian government spent $400 million on its development. In the fall of 1957, after three years of work employing 15,000 workers steadily, a flying model was put into the air. The same day the Soviet Union launched Sputnik which made the Arrow technologically obsolescent. In March of last year, the government announced the end of all work on the Arrow and that Canada would rely on the Bomarc guided missiles **to be purchased in the U. S.** Thus instead of the Arrow helping our balance of payments with the U. S., reliance on the Bomarc would worsen it. Perhaps just as serious, what would happen to all the skilled technicians?

Though the U. S. agreed to relax the "Buy American" policy and purchase raw materials and perhaps some Bomarc components in Canada, this does not solve the problem.

Furthermore, as the "Atlantic Monthly" of June 1959 pointed out, this "was a rude awakening from a dream of industrial aggrandizement. It marked the beginning of a reshaping of Canadian thinking about the defense of Canada. The dream was an important intangible." (p. 20)

Our position as a military satellite came all too clearly to the fore. As Maclean's magazine lamented: "To be a Power it is necessary to possess and control nuclear warheads and long-range missiles . . . Canada possesses and controls neither. We are a non-Power. . . . Once the war begins we cannot count on having any more influence on its outcome than the State of Monaco."

This enhances our feeling of inferiority and consequent touchiness. If the U. S. wants closer military integration, a new attitude toward cooperation with Canada is essential and especially a greater willingness to purchase materials for our joint defense in Canada. (I remind you once again of the problem of **oil.**)

**Canadian View Summarized**

The foregoing suggests that Canadians have some justifiable cause for complaint. The totality of the above creates a somewhat adverse vision of the U. S. by Canadians. In terms of trade policy, we have become pretty leary of having too many eggs in the U. S. basket and are seeking to diversify our exports and imports to a much greater extent. This may prove costly but the long-run gains are probably worth the effort, especially if it causes greater awareness of Canadian problems by the U. S. But we are inevitably destined to remain each other's best customers so I foresee no drastic trade shifts away from the U. S. despite the Prime Minister's announcement during the 1958 election.

What "vision" do U. S. citizens have of Canada? Generally, we are still looked upon as "hewers of wood and drawers of water," as a vast vacationland where fish and game abound and the skiing is excellent year-round, and as a British colony. Beyond this there is no basic awareness in the U. S. that Canada is anything but a cozy northern companion so similar to the U. S. that we deserve the benefit of immediate admission to the union. Indeed, it was only 10 or 12 years ago that a U. S. Congressman argued that Britain should sell Canada to the U. S. to pay off her war debts. Bruce Hutchinson, well-known Canadian author touring in the U. S. recently, reported that "the brutal fact is that there is simply no American opinion about Canada. It is hardly an exaggeration to call the problem of Canadian-American relationships an excess of friendship which breeds an excess of well-meant ignorance. In the case of some foreign nations, our statesmen's difficulty is to talk through a hard stone wall of hostility. In the case of the U. S. it is to talk through a soft, thick, impervious insulation of goodwill which smothers facts in affection."

Canadians think they know the U. S. but the U. S. knows little about Canada. In the final analysis this is the basis of many mistakes in U. S. policy. But U. S. ignorance of Canada is quite understandable, however lamentable. It stems from two facts—Canadians are probably the world's worst advertisers and the U. S. is far more important to Canada than Canada is to the U. S. (the size difference).

Many of the frictions between our two countries can be softened by better Canadian sales effort to explain ourselves as well as less flexibility in interpreting "national security," etc. and less giving in to special interest groups (such as oil) by the U. S. Government. If North American solidarity is essential from a military point of view, we had better take steps to patch up many unnecessary grievances else we jeopardize our joint defense efforts. We have entered a New Era of Interdependence due to the Soviet menace. This has already created additional problems and frictions. Mutual understanding is the only way to prevent serious difficulties. Fortunately we have a large fund of good will—let us not dissipate this by senseless "incidents"; let us help each other toward a better mutual understanding.

Some progress is being made. Recently Congressmen Coffin and Hays reported after a study of the problem that:

"Canadian and U. S. interdependence demands a new category of relationship. Canada does not stand in a position toward us of a "foreign" country. By no means should it be considered as a poor relation. The concept to be realized in the best interest of both countries is that of free and powerful nations of different background and capabilities, united through a basic agreement on values and aspirations, and voluntarily joined in enterprises, domestic and foreign, calculated to strengthen the chances for a world reflecting their common values. This is the challenge for Canadian-U. S. relations."

On large, basic questions there is pretty close agreement and cooperation. It is the "little" things, the unthinking annoyances, which create frictions. These we must minimize if we are to achieve the full results of our inevitable interdependence.

## Form E. A. Burka Inc.

WASHINGTON, D. C. — E. A. Burka, Inc. has been formed with offices at 1500 Massachusetts Avenue, N. W., to engage in a securities business. Officers are E. A. Burka, President, and Joseph Levi, Secretary-Treasurer. Mr. Burka was formerly with Sade & Co. Mr. Levi was with the Stanford Corp.

# Bank and Insurance Stocks

*BY ARTHUR B. WALLACE*

## This Week — Insurance Stocks

We are well on our way out of the month of September, and the bulk of the fire-casualty insurance earnings for the first half are finally available. While we cannot call the overall showing good, it does begin to hold out promise of better times to come; and when the full year's results are at hand we feel that there will be a fairly good improvement over 1958.

The reason for this expectation is that while these first half earnings mostly are not quite as good as 1958's, this was due to the fact, principally, that there were two months out of the six that had an unusual loss experience, such as made the half a poor one. The industry does not look for a repetition of March and April, but rather for more normal results from here on.

We have added to our list Hartford Steam Boiler & Inspection as the stock is acquiring stature, and it will be well for investors not to pass it by. Several large units, notably Hartford Fire, are not included, as their figures have not been published.

**Earnings — First Half 1959**

| | 6-30-59 Liquid. Value $ | †Adjusted Underwrit. Result $ | Invest. Income $ | ‡Federal Taxes $ | Net Earnings $ | Combined Loss & Exp. Ratio % |
|---|---|---|---|---|---|---|
| Aetna Ins. | 133.53 | —4.11 | 3.45 | +0.06 | —0.60 | 105.4 |
| Agricultural | 67.34 | —1.07 | 1.61 | -- | 0.55 | 102.4 |
| American Ins. | 35.67 | —0.38 | 1.01 | -- | 0.63 | 101.6 |
| Bank. & Ship. | 104.19 | 0.33 | 2.08 | -- | 2.41 | 99.3 |
| Cont. Ins. | 80.60 | —1.19 | 1.65 | +0.02 | 0.48 | 105.7 |
| Cont. Casualty | 84.97 | 1.45 | 2.30 | —0.67 | 3.08 | 97.3 |
| Federal | 41.78 | 1.06 | 0.89 | —0.66 | 1.27 | 90.4 |
| Fidel. & Dep. | 62.81 | 1.46 | 1.05 | —1.04 | 1.47 | 87.7 |
| Fire. Fund | 76.51 | —0.27 | 2.53 | +2.38 | 4.64 | 100.6 |
| Gen. Re Ins. | 83.21 | 1.65 | 2.67 | —0.39 | 3.93 | 94.4 |
| Glens Falls | 55.53 | —1.51 | 1.40 | —0.01 | —0.12 | 104.6 |
| Great Amer. | 80.68 | —0.81 | 1.97 | —0.01 | 1.15 | 103.2 |
| Home Insur. | 92.37 | —0.60 | 1.86 | +0.02 | 1.28 | 102.1 |
| Ins. Co. N. A. | 115.17 | —0.65 | 2.57 | +0.06 | 1.98 | 102.1 |
| Maryland Cas. | 45.74 | —0.59 | 1.41 | —0.12 | 0.82 | 101.7 |
| Merchants | 51.56 | —0.81 | 1.03 | +0.03 | 0.25 | 107.4 |
| National | 182.19 | 1.49 | 4.09 | -- | 5.58 | 97.4 |
| Natl. Union | 65.40 | —2.00 | 2.09 | -- | 0.09 | 105.1 |
| New Amst. | 80.45 | —6.55 | 4.11 | -- | —2.44 | 107.8 |
| New Hamp. | 100.99 | 0.63 | 2.19 | -- | 2.82 | 98.9 |
| Northern | 67.32 | 0.45 | 1.32 | +0.02 | 0.89 | 99.5 |
| Pacific Ins. | 104.37 | 0.29 | 2.02 | -- | 2.31 | 99.3 |
| Phoenix | 161.81 | —2.60 | 3.16 | -- | 0.56 | 105.7 |
| Prov.-Wash. | 36.75 | —0.24 | *1.14 | -- | 0.90 | 100.8 |
| St. Paul Fire | 46.10 | 0.56 | 1.13 | —0.01 | 1.68 | 96.9 |
| Seaboard Sur. | 42.07 | 1.75 | 0.90 | —1.08 | 1.57 | 80.3 |
| Security | 50.18 | 0.62 | *1.09 | —0.47 | 1.24 | 97.6 |
| Standard Acc. | 88.45 | —0.08 | 2.84 | -- | 2.76 | 100.0 |
| U. S. F. & G. | 47.60 | 0.02 | 1.32 | -- | 1.34 | 100.0 |

*After provision for dividends on the preferred stock. †No adjustment made for contingent liability on unrealized equities. ‡Plus sign indicates credit; minus, a debit.

Not only do we have fewer minus signs in the Adjusted Underwriting column, but we also see fewer minus signs in the Net Earnings column. Another important observation to be made is that Federal taxes did not hit the fire-casualty insurance companies. Here are 29 representative companies; seven had tax credits for the half year, and ten others incurred no tax liability whatever. Obviously, in these cases their poor results in underwriting just about offset their investment income figures.

It will be remembered that for a great majority of units in this field, the tax take on investment income is usually small because they are taxed (at 52%, let us say) on only 15% of the income that they derive from dividends of domestic corporations. Of course, the interest arising from state and municipal bonds is tax-free, too. An insurance company feels the weight of income taxes when its statutory results are highly favorable.

Industry-wise, automobile results for the first half of this year continued to plague the carriers, but there was some small improvement in the loss and expense ratio. If March and April losses had not been as severe as the immediately preceding several months in that quarter, the first half would have been sufficiently favorable to lend more promise for the calendar year. Nevertheless, it is our opinion that the trend has likely turned for the better. Investment income was modestly higher. Portfolio appreciation was somewhat higher, too, but it will be well to keep our fingers crossed on this in view of the current stock market decline. If this market set-back develops momentum, it can make serious inroads on investment holdings.

Generally speaking, over the years, insurance stock prices have tended to follow (or may we say, accompany) underwriting results, with less weight coming from the investment end of the business. But a declining equity market can hardly be expected to help insurance stock prices.

Security Insurance of New Haven has announced a 3% dividend in stock, and the regular cash disbursement. The stock dividend was the same as had been paid in 1956, 1957, and 1958.

## Southgate Associates

SCARSDALE, N. Y.—Southgate Associates has been formed with offices at 6 Archer Lane to engage in a securities business. Partners are Jacob J. Katz, Herman Kerbel, Elmer L. Litwin, Fred S. Weitzner, and Jack Zpies.

## With R. W. Newton Co.

(Special to THE FINANCIAL CHRONICLE)

LITTLETON, Colo.—Charles E. Coleman has become associated with R. W. Newton & Co., 1785 Shepperd Street. He was formerly with Diversified Securities, Inc. and Columbine Securities Corp. of Denver.

## Mun. Bond Women Elect New Officers

Louise Bullwinkel, of Tripp & Co., Inc., has been elected President of The Municipal Bond Women's Club of New York, succeeding Josephine M. Rodd, of Goldman, Sachs & Co., it has been announced.

Dorothy Root, of F. S. Smithers & Co., was named Vice-President, succeeding Estelle M. Hanvey, of Wood, Struthers & Co. and Maureen Gough, of J. J. Kenny Co., was elected Treasurer, succeeding Angela P. Policritti, of The First National City Bank. Norma C. Detlef, of Lehman Brothers, was elected Secretary, succeeding Jeanne Skippon, of Adams, McEntee & Co., Inc.

Jeannette F. Boondas, of Gregory & Sons, and Constance A. Hay, of Shields & Co., were elected members of the Board of Governors to serve for two years, and Jeanne Skippon was elected to fill the unexpired term of Doris Kurtzmann. The retiring President will continue to serve on the Board for another year.

## Syndications Clearance

Syndications Clearance has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business.

## J. M. Elias Opens

(Special to THE FINANCIAL CHRONICLE)

KEY WEST, Fla. — Jacob M. Elias is engaging in a securities business from offices at 613½ Duval Street.

## Lane Pastor Opens

(Special to THE FINANCIAL CHRONICLE)

TAMPA, Fla.—Lane Pastor is engaging in a securities business from offices at 3216 Tacon Street.

## Forms Fred Berney Co.

(Special to THE FINANCIAL CHRONICLE)

MIAMI, Fla.—Federic S. Berney is engaging in a securities business from offices at 2377 Coral Way under the firm name of Fred S. Berney Co.

## Robinson Forms Co.

(Special to THE FINANCIAL CHRONICLE)

POMPANO BEACH, Fla.—Robert Forster Robinson is engaging in a securities business from offices at 30 Northeast 27th Avenue under the firm name of Forster Robinson and Company.

# Public Utility Securities

*BY OWEN ELY*

## California Oregon Power Company

California Oregon Power, a hydroelectric company with annual revenues of $28 million, supplies electricity to a population of some 250,000 in 72 communities and rural areas in Klamath, Jackson, Josephone, Lake and Douglas Counties, in Oregon, and Siskiyou, Modoc, Del Norte, Trinity and Shasta Counties in California. About 77% of revenues are derived from Oregon and 23% from California.

Major industries in the territory served are lumbering, fruit-growing, farming and raising of livestock, and gold mining. Residential and rural sales account for 47% of revenues, commercial 23% and industrial about 16% (including 7% under a special contract with Reynolds Metals). The company's rates are among the lowest in the country, residential rates averaging only 1.66c per kwh last year; annual usage of 8,633 kwh is over 2½ times as large as the national average.

Earnings on net property have been low for some years, amounting to only 4.6% last year on a year-end rate base. The percent earned on invested capital was 4.4%. There is no present indication that the company expects to ask for a rate increase, but the low rate of return and low residential rate would seem to warrant such a move if the Commission should decide to do so in the future.

As a hydro company, California Oregon Power should enjoy very low power costs. Last year about 2.1 billion kwh cost only $841,000 to generate or about 0.4 mill per kwh. On the other hand the company had to pay out about $1,200,000 to Pacific G. & E. for a very small amount of power—5.5 million kwh or at the rate of about 20c per kwh.

The very high price paid for this power reflected a minimum demand charge under a contract for firm power, which expires July, 1964. Presumably this contract was deemed necessary to protect the company during bad hydro years since it has no steam generating capacity.

Interchange of power with Bonneville and a few industrial companies netted the company about 89 million additional kwh, at a unit cost of 2.45 mills.

At the end of 1958 hydro plants operated by the company had a combined capability of nearly 400,000 kw, compared with a peak load of about 350,000, excluding wholesale business. In October 1958 the Big Bend hydro plant on the Klamath River in Oregon was placed in commercial operation, adding about 80,000 kw capacity. Preliminary work on various hydro projects located on the Klamath and McCloud Rivers will be continued during 1959; the undeveloped power potential on these two rivers is estimated to be 435,400 kw.

The construction program this year will probably approximate $8 million compared with $14 million in each of the two preceding years. The interest credit on construction which last year amounted to 27c a share will probably decline rather sharply this year.

Obviously the company should now be in excellent condition to benefit by increased sales since it could take firm power from Pacific Gas (if needed) without much, if any, extra cost. In this respect there are several favorable developments. In eastern Oregon the Lakeview Mining Company completed its $3 million uranium reduction plant and was in operation at the beginning of the year. This plant and the two mines which supply it represent the first extensive uranium development in Oregon. Late in 1958, the nation's largest ski bowl was opened on famous Mount Shasta in northern California and seems destined to become one of the most popular winter sports resorts in the West. Tourism and recreation were already the third largest industry.

The company is continuing a program of business and resource development. Special emphasis has been given to developing markets for wood waste which will aid in stabilizing income for the area's basic industry through the establishment of pulp and paper mills. Extensive studies have been made, resulting in renewed interest on the part of the pulp and paper industry in locating in the company's service area.

The Coast Defense Command Air Base at Klamath Falls was activated on April 1, 1959, which should result in a large increase in electric revenues in that area. The company's agriculture department has been successful in improving and expanding agriculture production and marketing of farm products, with emphasis on more processing at the production level.

Despite the loss of interest credit, share earnings for the 12 months ended May 31 were $1.93 vs. $1.92 in the previous 12 months. The general business recovery from the bottom of the 1957-58 decline has been rapid and intensive; sales for the first five months of 1959 registered a 15% increase and revenues gained over 10%. However, mild and dry weather during the 12 months ended May 31 both retarded the use of electric energy for space-heating, and reduced hydro supply thus adversely affecting net income.

California Oregon Power is quoted in the over-the-counter market around 34 and pays $1.60 to yield 4.7%. The common dividend last year was free of Federal income taxes due largely to accelerated amortization of hydro projects. The company estimates that dividends will also be tax-free in 1959 and 1960; for the years beyond 1960 some portion of the dividends on the common stock will be non-taxable to the year 1963, the last year of amortization under Necessity Certificates.

The stock is currently selling at about 17.6 times earnings. The equity ratio approximates 33%, and book value $26.

**CORRECTION**—El Paso Electric's present dividend rate is $1.16, not $1 as reported in the article which appeared in this column in the Sept. 10 issue. The rate was raised from $1 with the March 15 payment.

## Howard Gould

Howard Gould, member of the New York Stock Exchange, passed away Sept. 13.

## Gaines Gwathmey, Sr.

Gaines Gwathmey, Sr., partner in Elder & Co., New York City, passed away on Sept. 14.

## Forms Gen. Inv. Planning

TARRYTOWN, N. Y.—Dr. Peter Horvath is engaging in a securities business from offices at 11 Park Avenue, under the firm name of General Investment Planning Co.

# The Security I Like Best

*Continued from page 2*

ally increasing surge to $5,181,000 while net income expanded over twenty-one (21) times to $450,000 or 8.6% of sales. This record resulted from the aggressive exploitation of a series of dramatically cheaper, more efficient products in a huge but practically unknown segment of the oil industry.

Gas lift equipment is used in the recovery of oil from wells which have ceased to flow naturally. In most cases nature's **primary** pressure produces only about one-fourth of a field's oil before the energy provided by nature becomes so depleted that there is not enough left to bring oil into and up the wells, even with the help of a pump.

Not too many years ago these fields were just abandoned with three-fourths of the oil still down in the ground. Now, **secondary recovery** which works by supplying artificial energy through reinjection of natural gas, water, or liquified petroleum gas into the producing formation, can in many cases economically recover an additional 25% or more of a field's oil. At present one out of six barrels is produced by secondary recovery, and experts estimate this will soon rise to one out of three.

Several factors are forcing the oil industry to emphasize secondary recovery. Basically, it is becoming increasingly difficult and constantly more expensive to find oil. Therefore, the practice of getting maximum economic recovery from proven oil reservoirs is as worthwhile as the finding of new fields—and much cheaper. In addition, most oil produced by secondary recovery is not subject to prorationing. Further, if stimulus is applied to presently profitable fields simply to increase the rate of flow—state regulatory agencies generally award a production bonus.

Camco's success is exploiting the tremendous size and breadth of the market for their equipment and service is underlined by Camco's three hundred and fifty (350) oil company customers. These include almost every major oil company including Amerada, Atlantic Refining, Cities Service, Gulf Oil, Phillips Petroleum, Shell Oil, Sun Oil, and Texaco.

Camco's balance is indicated by the fact that their three principal customers account for about 10%, 9%, and 8% of Camco's sales. No other customer accounts for as much as 4% of sales. It is constantly striving to improve its competitive position. While definite figures are not available, Camco's management believes they account for between 43% and 47% of total sales of gas lift equipment, as compared with 40% in September, 1955, and 25% five years ago. Their wire line and tool business entered into in 1954 is expanding very rapidly.

Among the secondary recovery methods including water flooding, gas lift equipment has major competitive advantages. While an impressive number of wells have been equipped for gas lift operation during the postwar period, the figure does not begin to represent the number of wells which could be so equipped. It can be expected that an ever increasing proportion of wells will be placed on gas lift, for the following reasons:

(1) Gas lift equipment is far cheaper for the oil operator than pumping equipment. For example, in placing a normal 7,000 foot well on artificial lift, pumping equipment costs between $15,000 and $30,000 (depending on type of pump) as compared to $1,500-$4,000 for gas lift equipment. (If high pressure gas is not available in the field, it is necessary to install compressors adding about $5,000 to the cost for each well.) Furthermore, unlike pumping, gas lift becomes proportionately cheaper with increasing well depths. This last point is especially important in view of the fact that trends in oil production are moving in the direction of deeper and deeper wells.

(2) Not only are installation costs lower in the case of gas lift, but the cost of operation is normally less. The operating cost for gas lifting a 300-barrel per day 7,000 foot well is approximately 4c per barrel of total fluid as compared to 12c for the rod pump, the most economical form of pumping. As the volume of fluid lifted increases, the cost is more favorable to the gas lift method.

(3) Gas lift equipment performs more efficiently than pumping equipment in deflected wells. Many such wells are found in the Tidelands, and it is generally conceded that this area will play an increasingly important role in the U. S. Oil picture.

(4) Gas lift systems have capacity for handling crude petroleum volumes far beyond that of ordinary pumps. Many Gulf Coast wells on gas lift operation raise 4,000 barrels of fluid per day, an accomplishment which would be impossible by most pumping methods.

(5) Formation sand which is produced along with oil in some wells is much less a problem when a well is produced with gas lift than when pumped.

Camco's truly exceptional growth slowed in fiscal 1958 with the general oil industry due to the world wide excess of crude oil caused by the general business recession coupled with expanded supplies of foreign crude due to the reopening of the Suez Canal. However, I believe that this temporary slump has been substantially over-discounted in the present slump of oil service and equipment stocks. Camco common is now selling at less than one-half of its July 1957 high of $29 per share.

In 1959 the oil industry has gradually been improving the over supply conditions seen in 1958. Camco's management has used this lull in the oil industry's progress to finalize the development and marketing of six basic new products while raising Camco's net profits about 25%. All these devices are patent protected devices suitable for sales and service by Camco's sales force. Two of these tools represent major technological breakthroughs. One "Magna set," a series of magnetically controlled tools to place in an oil well for various flow techniques, may double the sales of the company within three years. Another is a new safety value or "storm choke" to automatically shut off wells in case of an accident such as fires or explosions.

These six new products were introduced at the International Oil Show in Tulsa in May 1959. The reception was far beyond Camco's hopes and at least two of the tools will be major profit contributors in fiscal 1960.

The key to Camco's surging progress is held by the management team headed by 39-year-old Harold McGowen, Jr., as President. A clue as to the caliber and breadth of Camco's management is that the President and his two top Vice-Presidents have all completed the Advance Management Program at the Harvard Graduate School of Business Administration in the last two years.

Mr. McGowen's forecasts of Camco's business and profits have been remarkably accurate in the past, particularly during the recent recession. Therefore, I believe it is extremely significant that Mr. McGowen now sees "nothing but the road up" for Camco's sales and profits.

As noted above these increases will result partially from the combination of new products and expansion of present lines. In addition, Camco has just started making profits in its new European operation headquartered in Belfast, Northern Ireland, which will service areas other than the U. S., Canada, and Mexico. This operation was initiated because numerous oil companies operating in the sterling area particularly are eager to buy Camco's products for pound sterling but are reluctant, or unable, to make dollar outlays for the purpose. Location of their manufacturing operation within the sterling area means that profits can be immediately converted into dollars and used by Camco elsewhere, if desired. Significant profits are expected here is fiscal 1960.

I believe that Camco's net profits increased about 25% to 75 cents per share in the year ending July 31, 1959. Preliminary estimates for 1960 indicate net profits of $1.20 per share, a 65% growth over this year.

I believe Camco's sales should reach an annual rate of $10,000,000 and net profits $1,000,000, by the end of fiscal 1961. This would be more than double the net sales of $4,796,000, made in fiscal 1958, and more than quadruple the 1958 net profit of $232,000. This is an imposing target to shoot for, but I believe Camco, Inc. has the management and products to aim for such goals in the now improving oil industry. In addition, Camco's exceptionally strong financial condition gives them an excellent base on which to expand.

Holders of the 384,000 shares of Camco common stock, including 75,000 shares held by American Research & Development Corp., have reason to look to the future with confidence. I believe they own one of the prime capital appreciation common stocks available today.

## Florida Palm-Aire Corp. Common Stock Offered

Public offering of 445,000 shares of Florida Palm-Aire Corp. common stock at a price of $4 per share was made on Sept. 24 by an underwriting group headed by Hardy & Co. The shares are being offered as a speculation.

Net proceeds from the financing, together with other funds, will be applied by the company toward the cost of carrying out a program of development of its real estate properties located in Boca Raton, Del Ray, Pompano Beach and Palm Beach County, Florida.

Florida Palm-Aire Corp. was organized under the laws of Florida on June 23, 1959 for the principal purposes of engaging in the purchase and sale of undeveloped real property. Executive offices of the company are located in Pompano Beach, Fla. The company intends to develop and subdivide the majority of its land into lots for residential purposes, except for sections immediately adjoining highways which are expected to be subdivided into business property sites or shopping centers.

Upon completion of the current financing, outstanding capitalization of the company will consist of $1,795,840 of long-term debt and 930,000 shares of common stock, $1 par value.

## Join B. C. Christopher

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—John L. Overmann, Jr., Stella W. Sandoe, Robert W. Sutphen and Joseph J. Warnick have become associated with B. C. Christopher & Co. of Kansas City. Mr. Warnick was formerly with Slayton & Co., Inc. The others were with A. G. Edwards & Sons.

# The Values in Insurance Stocks

*Continued from page 5*

cannot be duplicated by any ordinary bond, mortgage or preferred stock. Among these top quality companies there was a wide difference in performance: from a rise of 399% in investment income by Continental Casualty, 204% by both Hartford and Federal, 161% by Insurance Co. of North America and at the lowest 153% by St. Paul. And in dividends received by stockholders there was just as much divergence. The stockholders of Continental Casualty received the greatest boost in dividends, 192%, followed by Insurance Co. of North America with 166%, Hartford with 105%, St. Paul with 147% and Federal with 116%.

Are not these exciting figures of growth? Industrial companies, with their large research appropriations and staffs are more exciting, you may say. But look at the record. During the past 10 years the earnings of Minnesota Mining increased 219% and dividends to stockholders 433%. IBM had a 440% increase in earnings and a 230% increase in dividends. Dupont's increases were 110% and 167%, General Electric 85% and 253%, and General Motors 42% and 167%. Who would have believed the five insurance "blue chips" would have had a greater percentage gain in investment income (224%) than all but one of the earnings of the five named "blue chip" industrials?

It seems hardly necessary to emphasize the fact that these insurance stocks have been growth stocks par excellence, and compare with the best growth stocks among industrials.

### Comments on Yield Drawback

There is only one drawback. Their average yield in today's market is 1.8%. Even if the past decade can serve as a guide for the future, it would be eight years before their yield averaged 4%. That may be too long to wait where immediate yield is a factor.

As a matter of fact the next 10 years may be far better investment wise than in the last 10. We may be overly cautious that eight years will be necessary for the "blue chip" fire and casualty stocks to yield 4%. It is only within the last two or three years that the bond market has presented adequate yields. Since the bond maturities of most fire and casualty companies average 10-15 years, only a small portion, probably 15-20% of the bond account, has really benefited by the Era of High Interest Rates. But as old, low coupon bonds mature, new high coupon bonds are purchased in their place. Bond accounts are throwing off increasing income. Furthermore, having sustained the heaviest underwriting losses in the history of insurance during the past five years, insurance companies have had below average funds to invest. A return to profitable underwriting will not only stop the cash drain due to underwriting losses but will add funds for investment and spur investment income further. Higher insurance rates plus the greater volume of risks to be underwritten will also add investment funds. The next ten years could provide even greater investment opportunities than the last ten for monied institutions such as insurance companies.

### Examines Another Insurance Group

Let us look at another group of insurance stocks, good grade stocks returning a "living wage," between 4-5½% currently. They could well include Continental Insurance, Home, Great American, Boston and New Hampshire Fire. The average yield of these five stocks currently is 4.4%. During the past decade their investment income rose on average 103% and their dividends to stockholders 74%. Not as good as the 224% and 154% respective gains for the "blue chip" insurance issues. But these increases are far better than any ordinary bond or mortgage or preferred stock could have done.

Again there were variations within the group: from the greatest rise in investment income of 141% by Great American to 111% by Continental Insurance, 106% by Boston, 91% by Home and 66% by New Hampshire. Although there was a 74% increase on average in dividends received, the stockholders of Continental received the most with a 110% boost, followed by Boston with 88%, Home with 82%, Great American with 81% and New Hampshire with 7%. The dividends of these five are covered 191% currently by their investment income so that may be judged extremely secure. While their growth, either in investment income or dividends received, has not been as great as the aforementioned "blue chips," they have paid their own way during the whole decade of ownership and they do currently. If dividends are increased during the next decade as during the past ten years, they would yield 7.7% at cost by 1969—which will come sooner than we think.

May we take the liberty of commending these five insurance stocks, individually or as a package or group. All are eligible for investment by New Hampshire savings banks. Three are located in the heart of the insurance district in New York, and within a short stone's throw from our office — Continental, Home and Great American; while two are New England institutions, Boston and New Hampshire Fire. We predict that you will do well, yieldwise and appreciationwise, with these five insurance stocks over this next five or ten years.

Is it any wonder these insurance stock values seem more exciting than bonds or mortgages even though these fixed obligations yield more than at any time during the past quarter century. It usually pays to concern oneself with big cyclical swings in bonds or stocks; and it cannot be gainsaid that bond prices are low and yields high historically at the moment. Yet if one contemplates the demands for capital to finance the products of our Research and the continuing Cold War, one finds the answer in continuing High Interest Rates. Which is exactly where we started. High Interest Rates spell increasing investment income and dividends for insurance company stockholders.

### Stresses Investment Income Function

What about the underwriting problems of insurance companies? It is our thesis that their underwriting difficulties have been overemphasized and the steady rise in investment income, out of which dividends are paid and future value created, overlooked during recent years. Nevertheless, a word on underwriting is certainly in order. Our first comment is that the underwriting dollar earned is considerably less valuable than the investment dollar earned because the underwriting dollar is subject to a 52% income tax. The investment income dollar earned is subject to a 52% tax only on interest from Government or corporate bonds, to no tax at all on interest from tax exempt bonds and an effective tax of only 7.8% on dividends received. The average tax on investment income is around 10-15% instead of 52% on underwriting income. The stockholder thus "keeps" approximately 85-90% of the investment income dollar compared with only 48% of the underwriting income dollar. Hence investment income is really worth about twice as much as underwriting income. It is one of the curious anomalies of market history that more heed has been paid to the underwriting function of insurance companies than their investment income function. It has been a little bit like confusing the locomotive with the caboose!

### Improvements in Underwriting Costs

The current position on underwriting can be stated in short order: (1) The underwriting figures have begun a major improvement after the five worst consecutive years in insurance history. The improvement began in the second quarter of last year, snowballed during the second half, was restrained during the first quarter of 1959 due to the coldest winter in 50 years and now seems in full swing once more. Higher insurance rates, closer attention to expenses (including reduction in acquisition costs) and more selective underwriting have been the principal factors in the betterment.

(2) A "quiet revolution" is going on in the field of distribution of insurance to meet the competition of the direct writers such as Allstate, State Farm, etc. More and more companies, including the most important, are experimenting with such new devices as direct billing, continuous policy, cash with signed application and reduced acquisition costs. It is the corner grocery store revolution all over again when beset by chain store competition. The competitive position of the insurance companies is being immeasurably improved by those new streamlined methods.

(3) Insurance rating procedures are being made more flexible so that rates will reflect more readily current rather than past costs. Pricing in insurance is unlike that of any other industry where the price can be set upon estimated future costs. With modern business machines, pricing can become more flexible and in line with current underwriting conditions. This represents a major underwriting improvement.

### Fundamental Values

We may well hear less about underwriting conditions in the future, as they undergo their normal improvement, and more about increasing investment income due to High Interest Rates. The fundamental values behind insurance stocks should also command attention. Many insurance stocks can be purchased for less than their common stockholdings alone. That is particularly true in the second and recommended group mentioned above. Continental Insurance, for example, has common stocks currently estimated worth $71 per share and it is selling at 50, or 30% below. Home is another example, with common stocks worth $67 and selling at 52, off 22%. Great American is even more startling, with common stocks currently estimated worth $70 and selling at 36, off 49%. New Hampshire at a price of 45 sells at a discount of 31% from commons worth $65 per share and for Boston the figures are $37 for common stocks and selling at 33, off 11%. Needless to say, the common stocks owned by these insurance companies are the "bluest of the blue" with such stocks as IBM, General Electric, du Pont, Minnesota Mining and Standard Oil of New Jersey, and the other growth industrial stocks mentioned above heavy favorites.

Taking a composite of these five insurance stocks eligible for New Hampshire savings banks, we find that in today's market they are selling on average at a discount of 45% from their net worth at a discount of 29% from their "blue chip" common stockholdings alone. That means you are able to buy their common stock portfolios at 71c on the dollar. If there is any cheaper way to invest in the "blue chip" common stock market in America today, I wish someone would tell me! $1.00 worth of top quality common stocks for 71 cents.

These are the great value in insurance stocks today, paying reasonable yields of 4-5½% — beneficiaries of Higher Interest rates, with their huge portfolios of "blue chip" common stocks, the best in America, obtainable at deep discounts. Insurance stocks look to the future, will prosper with a Resurgent America in the future and yet they are "hedged" against an uncertain future as well. They may not be the "frosting on the cake"—that probably belongs to the missiles, electronics and space stocks. But good insurance stocks enable one to "have his take and eat it too." In uncertain times can a savings bank investor reasonably ask for more than that?

# Businessmen in Politics

*Continued from page 16*

cal education, if you will. We have found that the practical impetus toward political sophistication comes most frequently from the actual experience of working toward a better business climate. Meeting this challenge may be augmented by formal teaching methods.

One teaching method is to provide opportunity for company employees to attend ECO Workshops. ECO stands for Effective Citizens Organization and is a nonprofit organization which sponsors political workshops lasting three days. They are usually conducted on small college campuses or some similar sites.

There are other excellent courses prepared by the United States Chamber of Commerce and by the National Association of Manufacturers. The selection of any one particular course does not matter materially so long as it's thorough and so long as top management inspiration and leadership are provided.

These three steps—business climate improvement, participation in the legislative process on key issues, and providing political education—all on company time and with company money and on a nonpartisan basis are the extent of the political activities of our employees as employees.

### B.

There is, however, another type of political work in which it is hoped every employee will engage. This is the actual participation by businessmen in their individual capacity as citizens in partisan politics—for and within the political party of their choice, and on each individual's own time and money. This individual activity would be as a partisan, picking a party of one's own choice and candidates of one's own choice and working for them, not just at election time but in between too. In this individual political activity many employees can take advantage of the ECO type of training mentioned before.

Those whose interests, directly or indirectly, lie with business must earn for themselves as citizens through their political work —both during campaigns and more importantly in between campaigns—the right to help determine platforms and to help select candidates in the future. They should strive to make their voices heard in the political parties of their choice.

### Conclusion

The foregoing outlines an admittedly ambitious program. And if we are truly effective we must, of course, anticipate that we will be subjected to criticism as to our motives and our tactics. This criticism will stem in large part from a basic misunderstanding of just what it is that is being undertaken. When the public has learned that our concern is not with the support of candidates or parties but with issues vital to the business community and the nation, the area of understanding and of approval should increase.

Their will increasingly be abuse, however, from those who are opposed to our basic objectives of strengthening the free enterprise system. As these attacks multiply, we should welcome them as a sign that we are beginning to be effective; when we move altogether beyond the area of criticism, it will mean that we have failed.

# Casco Chemical Corp. Offering Completed

Pearson, Murphy & Co., Inc., of New York City, on Sept. 11 publicly offered as a speculation 300,000 shares of common stock (par 10 cents) of Casco Chemical Corp. at $1 per share. This offering was oversubscribed and the books closed.

The net proceeds are to be used for repayment of one year loan secured by first mortgage on chattels, and for working capital and other corporate purposes.

The corporation was incorporated in Texas on March 22, 1957. The executive offices and production facilities of the corporation are located at 3007 McGowan St. (P. O. Box 5998), Dallas, Tex. The business of the corporation is the buying and selling of animal fats and oils, vegetable oils and the rendering and refining of animal fats.

## Nat'l Stock Exchange Formed in NYC

The formation of the National Stock Exchange, Inc., has been announced. The National Stock Exchange, a wholly-owned subsidiary of the New York Mercantile Exchange, was incorporated Sept. 16 by the filing of its Charter with the Secretary of State at Albany, making the new organization, over a year in the planning stage, a legal entity. The Governors of The National Stock Exchange, Inc., said they plan, in the near future, to apply to the Securities Exchange Commission for designation as a registered national stock exchange. Until that time the new exchange will continue to accept letters of intention to list from high quality corporations desiring to have their stocks listed and traded on the exchange.

Llewellyn Watts, Jr., President of the New York Mercantile Exchange, is a Governor of The National Stock Exchange, Inc. Chairman of the new Exchange will be Lawrence Huntington Taylor. Other Governors will be Hendrik C. Ahlers, who is also First Vice-President of the New York Mercantile Exchange; C. Charles Denisco, who is also Second Vice-President of the New York Mercantile Exchange; and Aaron A. Freundlich, who is Secretary of the New York Mercantile Exchange. It was explained that the five Governors of the National Stock Exchange, Inc., are also the legal incorporators of the Organization. President of The National Stock Exchange, Inc., is John W. Clagett. The office of President is the top administrative post, a job similar to that which Mr. Clagett now holds on the New York Mercantile Exchange with the title of Executive Director.

The National Stock Exchange, Inc., according to its Governors and Officers, will be devoted primarily to listing the securities of newer, smaller corporations of high quality. Letters of Intention to list security issues have already been accepted by The National Stock Exchange from numerous corporations throughout the country and further applications are being accepted from other qualifying companies desirous of having their securities become "listed securities" and traded on the new Exchange. Minimum corporate requirements for listing on the new Exchange are $1,000,000 net worth, 150,000 outstanding shares of stock and 500 stockholders, as well as a suitable corporate record of achievement.

The National Stock Exchange, Inc., has its headquarters at 6 Harrison Street, New York. Inquiries and applications for listing forms should be directed to Bertram Barr, Director of Securities Listing. Clearing on The National Stock Exchange, Inc., will be electronic, making its system the fastest and most modern of any exchange. In addition direct clearing from out-of-town brokerage firms will be routine, making it possible for any brokerage firm in the nation to clear trades direct without requiring a New York representative member. Original physical plans for the trading floor of The National Stock Exchange, Inc., will allow initially for the listing of 128 different corporate securities. The Exchange has national ticker wires widely distributed from coast to coast over which continuous quotations will be sent.

Further details on the new Exchange plans and a copy of a booklet "The Advantages of Listing Securities on The National Stock Exchange, Inc.," may be obtained by writing to John W. Clagett, President.

# The State of Trade and Industry

*Continued from page 4*

against $25,266,804,019 for the same week in 1958. Our comparative summary for the leading money centers for this week follows:

| Week Ending Sept. 19— | 1959 | 1958 | % |
|---|---|---|---|
| New York | $13,670,846,665 | $12,266,770,653 | +19.6 |
| Chicago | 1,437,300,467 | 1,357,515,929 | + 5.9 |
| Philadelphia | 1,180,000,000 | 1,121,000,000 | + 5.3 |
| Boston | 842,440,655 | 777,539,453 | + 8.3 |

For a detailed summary of bank clearings in U. S., refer to the Statistical Edition of the "Chronicle," issued Mondays. For this week's summary, refer to page 49 of the Sept. 21 issue.

### Nonfarm Housing Starts in August, 1959

Nonfarm housing starts rose to 129,000 in August, from 126,000 in July, according to preliminary estimates of the Bureau of the Census, U. S. Department of Commerce. Publicly owned dwelling units accounted for practically all of the increase. The August, 1959, starts total for privately and publicly owned units was 6% greater than a year ago, and the highest recorded for August except in 1950.

The 124,800 privately owned dwelling units begun last month were almost unchanged from July, though a moderate seasonal increase usually occurs between July and August. They represented a seasonally adjusted annual rate of 1,340,000 down a little from the estimated rate of 1,350,000 for July and 1,368,000 for June. When averaged for the first 8 months, the seasonally adjusted annual rate of private starts in 1959 amounted to 1,379,000, compared with the much lower rate of 1,042,000 for the same 1958 period.

By the end of August, 1959, a total of 973,400 new private and public dwelling units had been put under construction, an advance of 26% over the first 8 months of 1958, and somewhat below the 8-month record total of 992,000 in 1950. This year's private total (947,000 units) exceeded by 225,800 units the 1958 private total for the first 8 months.

Starts in publicly owned projects totaled 26,400 thus far in 1959, against 51,600 begun during the first 8 months of 1958, and 35,400 in the same 1957 period.

### Warns Unsophisticated on Stock Buying Hazards

The Better Business Bureau in New York City warns investors who dabble in the stock market that "inside information" and tips are riding for a fall. In a six-page pamphlet entitled "Security and Securities" the Bureau warns "that buying on rumors can lead you down the garden path to losses." "The sensible investor will," the pamphlet continues," make sure he is trading through a reputable broker, that he will hang up the telephone receiver on high pressure pitchmen and understand that every potential gain carries the risk of loss" and cautions the unsophisticated investor to think before buying securities.

A free copy of this six page pamphlet can be obtained by addressing Hugh R. Jackson, President of the Better Business Bureau at 220 Church Street, New York City.

### Steel Shortage Reaching Crisis Proportions

Unless the steel strike ends within the next two weeks, the nation faces the worst steel shortage since the end of World War II, "The Iron Age" predicts.

The national metalworking weekly reports total steel stocks will drop to about 11 million tons next week. The total is unbalanced as to location, product and gage. This has resulted in widespread gray market sales, shifting and trading of steel stocks and increased conversion.

"The Iron Age" says that steel users who have been cheering negotiators to hold the line will now have to support the hold-the-line position—with little or no stocks of steel.

There is no break in sight in negotiations. The industry is determined to get the union to yield on local working practices before wages and fringes are debated. The union remains equally adamant and has rejected any change suggested by industry negotiators.

"The Iron Age" says that invoking the Taft-Hartley Act is not likely to promote progress in negotiations. Furthermore, industry sources are privately concerned over worker performance, should the act be invoked.

Union strategy now rests on holding out until customer pressure forces the steel industry to modify its demands on contract language. For this reason, an 80-day cooling off period under a T-H injunction is not likely to produce an all-out effort from the workers.

Another private concern of steel companies is the condition of openhearth furnaces. Mills are not saying the extent of repairs that will have to be made before peak production can be reached after the strike. But it is known that some mills have sustained damage that will delay return to production.

Among big steel users, layoffs are unavoidable after early October. In Detroit, General Motors and Chrysler are reported to be in most serious condition.

Mills have now given up hope of an orderly recovery after the strike. Most products will be on allocation for weeks, flat-rolled for months. Until recently customers had been restrained in getting in their orders. That is not the case now.

Interest in conversion (buying of semi-finished steel from one source to be rolled at another mill) is mounting. In Chicago, one new order for 1,000 tons of cold-rolled sheet was established last week. Buyers believe that conversion costs will run as high as 17 to 20 cents per pound. (Mill list price is quoted at 6.275 cents F. O. B. Chicago, without extras.)

### Even Larger Companies Feeling Steel Shortage

Metalworking companies are feeling the steel shortage on a wide front, "Steel," the metalworking weekly, reported Sept. 21.

It said inventories have fallen from an all-time high of 26 million tons to a barely adequate 16 million. In another two weeks, they'll be at 14 million—close to the minimum for the current level of economic activity.

Until the beginning of the past week, few companies were affected. But small- and medium-size companies are feeling the pinch now. Although big consumers are better stocked than small ones, some are in trouble already.

The pinch will get tighter, particularly after the steel strike ends. In fact, the severest shortages will be felt after the contract is signed by the steel industry and the United Steelworkers.

Sheets will be in short supply. Mills are booked solidly 90 to 110 days ahead. It's going to take three to six weeks after the strike before the mills can start on hot rolled sheets, longer for cold rolled sheets. The pinch in galvanized sheets will be particularly tough.

New orders being offered to the mills now stand little chance of getting delivery in 1959. The mills will first have to whittle down their backlogs, most of which they had before the strike started.

Direct strike losses through Sept. 21 amount to over $3.6 billion, "Steel" said. It figures lost steelworker wages at $707,600,000; lost sales, $2,058,000,000; other losses, $392,000,000; and tax losses to U. S., $450,000,000.

Last week, steelmaking operations climbed half a point to 12.5% of capacity. Output was about 355,000 ingot tons.

Continued strong export demand and anticipation of higher prices after the strike are strengthening the scrap market. Last week, "Steel's" composite price on the No. 1 heavy melting grade went up $1 (to $41) a gross ton.

American firms are looking at steel imports as the strike drags on. Some construction companies, for example, admit they'll buy imported material if domestic shortages threaten to halt their progress.

The industry is riding the uptrend of a new spending wave for industrial construction, a "Steel" survey indicates. About $3.8 billion worth of contracts for industrial construction will be let next year. That compares with an estimated $2.95 billion this year and $1.75 billion last year.

Two reasons are found for the revival: (1) Awareness of a need to update production facilities. (2) Realization that delay may mean incurring additional costs in a rising labor and materials market.

If profits in the fourth quarter come up to the expectations of many businessmen, the year as a whole will be the best on record. Even if primary metal producers fail to offset strike losses, chances for an over-all record are still good because of the strength in other durable and nondurable goods industries.

### Steel Output Based on 12.7% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *22.3% of steel capacity for the week beginning Sept. 21, equivalent to 359,000 tons of ingot and steel castings (based on average weekly production of 1947-49) as compared with an actual rate of 22.2% of capacity and 356,000 tons a week ago. [ED. NOTE: A strike in the steel industry began Wednesday, July 15.]

Actual output for the week beginning Sept. 14 was equal to 12.6% of the utilization of the Jan. 1, 1959 annual capacity of 147,633,670 net tons. Estimated percentage for this week's forecast is 12.7%.

A month ago the operating rate (based on 1947-49 weekly production) was *20.7% and production 332,000 tons. A year ago the actual weekly production was placed at 1,816,000 tons, or *113.0%.

*Index of production is based on average weekly production for 1947-49.

### August Steel Output Lowest Since 1949

Because of the strike in the iron and steel industry, the production of steel during August, 1959, declined to 1,438,000 net tons of ingots and steel for castings, the smallest monthly output since October, 1949, during a strike, according to the preliminary report of American Iron and Steel Institute on Sept. 14.

During July, 1959 the output was 5,227,129 net tons. In August last year the figure was 7,308,003 tons.

The total for the first eight months of 1959 was 70,943,332 tons, against 51,502,895 tons in the comparable part of last year. The 1959 interval featured three pre-strike months with more than 11 million tons' output, each, and one month of nearly 11 million tons' production.

According to American Iron and Steel Institute's index of steelmaking the August, 1959 output was 20.2 in terms of the basic index of average production during the period of 1947-1949. This compared with 73.5 during July, 1959 and 102.7 during August, 1958.

The index figure for the first eight months of this year was 127.2 compared with 92.4 during the same part of last year.

Based on the Jan. 1, 1959 capacity rating of 147,633,670 net tons of raw steel annually, the steelmaking facilities were utilized at an average of 11.5% of capacity during August, 1959, compared with 41.7% in July, 1959. The per cent of capacity rate for the first eight months of 1959 was 72.2.

### High Car Output Reflects New Model Production

The best U. S. automobile production volume in more than a month was tabulated for the week ended Sept. 19 by Ward's Automotive Reports.

The reporting agency said the return of the industry to all-out '60 model production would place the week's volume in the 60,000-unit area nearly triple previous week's output (24,364) when car assembly was more sporadic.

Ward's said the first '60 model Fords, Edsels and Mercurys went into production, completing the list of new car makers that will be offered to the public beginning the first of October.

Two new small cars, Ford's Falcon and Chevrolet's Corvair, are being produced in volume, Ward's said, and assembly of Chrysler Corp.'s Valiant will begin in the week beginning Sept. 21 at the Hamtramck, Mich., plant.

Ward's said five-day scheduling was in force at all auto plants last week with the exception of Falcon assembly lines at Lorain, Ohio, and Kansas City, Mo., idled Sept. 14 because of parts shortages.

Ward's said truck building for the week under review also experienced a resurgence over the previous week's production. Ward's estimated the week's volume at 19,912 units, or a 68% increase over output of the previous week (11,869).

Combined car-truck volume for the week was estimated by

Ward's at 80,856 units, or 123% more than the previous week (36,233).

The year's car-truck output to date is ahead of 1958 by 48%.

### Big Three to Hold Price Line on 1960 Cars

Ward's Automotive Reports, in reporting on Sept. 17 early September auto sales and a continued bright '59 model inventory cleanup, said the auto industry's answer to the nation's creeping inflation will be a "stand pat" policy on '60 auto prices.

Ward's said that a survey of Big Three auto makers revealed that factory list prices of the '60 cars generally will not be increased from '59 model levels and in some instances will be decreased.

The statistical service added that the "stand pat" policy on '60 cars marks the end of a repeated rise in auto prices that has tacked almost $100 onto the cost of a low-price field car each year since 1955.

Ward's said the industry's pricing policy strengthens hopes for a near-record 1,925,000-unit October-December production quarter in passenger cars, could spur a non-inflationary type steel strike settlement and points the entire U. S. economy towards one of its best years in history in 1960.

### Electric Output 4.4% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 19, was estimated at 12,779,000,000 kwh., according to the Edison Electric Institute. Output decreased by 330,000,000 kwh. below that of the previous week's total of 13,109,000,000 kwh. but showed a gain of 539,000,000 kwh., or 4.4% above that of the comparable 1958 week.

### Car Loadings Down 27.9% From 1958 Week

Loading of revenue freight for the week ended Sept. 12, 1959, totaled 480,647 cars, the Association of American Railroads announced. This was a decrease of 185,576 cars, or 27.9%, below the corresponding week in 1958, and a decrease of 260,500 cars, or 35.1%, below the corresponding week in 1957.

Comparisons with corresponding weeks in prior years are somewhat distorted as last week included the Labor Day Holiday and was affected by the steel strike, while neither the comparable 1958 nor the 1957 week included a holiday, nor were they affected by any major strikes.

Loadings in the week of Sept. 12, were 63,442 cars, or 11.7%, below the preceding week. It is estimated that about 140,000 additional cars would have been loaded in the current week if there had been no steel strike. Based on these week-to-week estimates the cumulative loss is now approximately 1,340,000 cars.

### Lumber Shipments Down 22% From 1958 Week

Lumber shipments of 470 mills reporting to the National Lumber Trade Barometer were 6.2% below production for the holiday week ended September 12, 1959. In the same week new orders of these mills were 11.6% below production. Unfilled orders of reporting mills amounted to 38% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 17 days' production at the current rate, and gross stocks were equivalent to 42 days' production.

For the year-to-date, shipments of reporting identical mills were 1.8% above production; new orders were 1.1% above production.

Compared with the previous week ended September 5, 1959, production of reporting mills was 13.8% below; shipments were 14.9% below; new orders were 9.0% below. Compared with the corresponding week in 1958—**a non-holiday week**—production of reporting mills was 14.8% below; shipments were 22.0% below; and new orders were 25.1% below.

### Business Failures Climb in Latest Week

Commercial and industrial failures rose to 264 in the week ended September 17 from the 222 of the prior holiday-shortened week, reported Dun & Bradstreet, Inc. Casualties were fractionally higher than a year ago when 262 occurred, but were appreciably below the 287 of the similar 1957 week. There was a rise of 10% over the 239 of the comparable period of prewar 1939.

Liabilities of $5,000 or more were incurred by 223 of the week's casualties, compared with 188 a week earlier and 216 a year ago. Smaller failures, those involving liabilities under $5,000, also rose, climbing to 41 from 34 in the prior week, but were below the 46 of last year. Twenty of the failing concerns had liabilities in excess of $100,000, as compared with 15 a week earlier.

Except for construction, tolls were higher in all industry and trade groups. While construction casualties declined to 35 from 39, failures in manufacturing rose to 51 from 41, in wholesaling to 25 from 22, in retailing to 130 from 102, and in commercial service to 23 from 18. Year-to-year increases occurred in manufacturing, retailing, and commercial service, while declines occurred in wholesaling and construction.

In six of the nine major geographic regions, increases prevailed from the prior holiday week. The most noticeable rises occurred in the Middle Atlantic States, up to 86 from 60, in the East North Central States up to 46 from 37, and in the New England States up to 14 from 9. In contrast, casualties slipped in the South Atlantic Region, down to 21 from 23, in the West South Central Region, down to 12 from 15, and in the East South Central Region down to 7 from 8. While failures were above a year ago in the East North Central, and West South Central Regions, they showed year-to-year declines in the New England, Middle Atlantic, West North Central, and South Atlantic States. The Mountain and Pacific Regions had the same number of failing concerns as a year ago.

### Wholesale Food Price Index Unchanged in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., remained unchanged in the latest week. On September 15 it stood at $5.98, the same as a week earlier, but down 6.4% from the $6.39 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were flour, butter, cheese, eggs, and potatoes. Lower in price were corn, rye, oats, hams, lard, coffee, cottonseed oil, cocoa, steers, and hogs.

The Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

### Wholesale Commodity Price Index Close to Prior Week

Lower prices on most grains, flour, coffee, steers and rubber were offset by increases on hogs, lambs, butter and steel scrap holding the general commodity price level close to the prior week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 277.73 (1930-32=100) on Sept. 21, compared with 277.90 a week earlier and 276.99 on the corresponding date a year ago.

With a record crop fast reaching maturity, corn trading dipped and prices were down noticeably during the week. Transactions in wheat were light and prices slipped fractionally from the prior week. There was a slight rise in export inquiries for wheat.

Light offerings and steady trading held oats prices close to a week earlier, but prices on rye declined as volume lagged. Although purchases of soybeans were unchanged, as buyers waited the peak harvest period, prices matched those of the preceding week.

Flour trading lagged again this week with most buyers well supplied, and prices were down somewhat. There was another moderate dip in flour prices which was followed by a pick-up in transactions. An increase in export buying by Cuba occurred during the week.

While sugar trading slipped again from the prior week, prices were unchanged from a week earlier. Coffee prices rose at the beginning of the week, but declined at the end of the period, finishing slightly below the prior week. The buying of cocoa declined and prices were down fractionally.

Hog receipts in Chicago expanded during the week and buying picked up; hog prices were appreciably higher than the prior week. The salable supply of cattle moved up, but trading in steers was sluggish and prices slipped somewhat. There was a slight rise in lamb prices as transactions picked up on increased supplies. In contrast to the increase in hog prices, lard prices were moderately below a week earlier.

Trading on the New York Cotton Exchange was dull last week and prices remained at week earlier levels. United States exports of cotton in the week ended last Tuesday were estimated at 33,200 bales, compared with 22,000 a week earlier and 54,000 in the comparable week a year ago. The total for the season through last Tuesday came to about 162,000 bales, as against 312,000 bales in the similar period last year.

### Retail Trade Volume Close to Year Ago

Cooler weather and sales promotions stimulated consumer buying this week offsetting the effects of the steel strike in some areas, and overall retail trade was close to that of a year ago. Best-sellers were men's wear, back-to-school apparel, floor coverings, and linens. Scattered reports indicate that sales of new passenger cars equaled those of the prior week and appreciable year-to-year gains were sustained.

The total dollar volume of retail trade in the week ended Sept. 16 was from 1% below to 3% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: Mountain +5 to +9; Pacific Coast +3 to +7; South Atlantic, East South Central, and West South Central +1 to +5; West North Central 0 to +4; New England —3 to +1; Middle Atlantic —4 to 0; East North Central —5 to —1.

There was a considerable rise from the prior week in the buying of men's Fall suits, coats, and sportswear, and overall volume matched that of a year ago. Attracted by promotions, shoppers stepped up their purchases over both a week earlier and last year of girls' and boys' back-to-school clothing. Sales of women's apparel climbed from the preceding week, but were down fractionally from the similar 1958 period. Year-to-year declines in Fall coats and suits offset increases in sportswear and fashion accessories.

While volume in floor coverings and linens showed substantial gains over last year, interest in draperies and slipcovers was down somewhat. Furniture volume was up slightly from last year due to increases in case goods, bedding, and upholstered merchandise. Total sales of major appliances remained close to a year ago; best-sellers were televison sets, radios, and lighting fixtures.

Grocers reported little change in overall food sales during the week. Housewives stepped up their buying of fresh produce, fresh meat, poultry, and some dairy products, but interest in canned goods, baked goods, and frozen foods lagged.

Most apparel wholesalers reported a marked post-Labor Day rise this week in reorders for back-to-school and Fall apparel, and appreciable year-to-year gains occurred. Best-sellers in children's wear were girls' sweaters, blouses, and skirts and boys' jackets and slacks. There was a moderate rise in bookings in women's fur-trimmed coats and suits and in better-priced dresses. The buying of men's Fall suits, slacks, and sportswear expanded substantially from the prior week and matched that of a year ago.

### Canned Goods Buying Steady

There was little change in volume in canned goods at wholesale this week, but substantial gains are anticipated shortly. While slight increases occurred in sales of poultry and beef, volume in pork and some dairy products slipped.

After seven consecutive months of increases, the seasonally adjusted annual rate of personal income dipped to $381.4 billion in August from the July record of $384.0 billion. The decline was due to the steel strike and a drop in farm receipts, according to the United States Department of Commerce. Payroll cuts were concentrated primarily in primary metals, mining, and transportation.

### Nationwide Department Store Sales Down 9% for Sept. 12 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended Sept. 12, decreased 9% below the like period last year. In the preceding week, for Sept. 5, an increase of 20% was reported. For the four weeks ended Sept. 12, no increase or decrease was registered and for Jan. 1 to Sept. 12, a 7% increase was noted.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 12 decreased 17% over the like period last year. In the preceding week Sept. 5 a 10% increase was shown. For the four weeks ended Sept. 12 a 9% loss over the same period in 1958 was recorded and Jan. 1 to Sept. 12 showed a 2% increase.

## So. New England Tel. Shares All Sold

**The First Boston Corp. and associates on Sept. 22 offered 146,712 shares of Southern New England Telephone Co. common stock at $40.25 per share. The shares were acquired by the group through the exercise of rights purchased on Sept. 21 at competitive bidding from American Telephone & Telegraph Co. These shares have been all sold. The latter company holds 1,467,120 shares, or 21.3% of Southern New England's outstanding $25 par value common stock. The group bid 36.6 cents per right. The subscription price fixed by Southern New England for the 688,885 additional shares offered is $35 per share and ten rights are required for the purchase of one share. The rights expire on Oct. 9, 1959.**

**The Southern New England company will use the proceeds from the sale of the additional stock for repayment of advances to American Telephone. These are expected to total $20,000,000 at the time the proceeds are received. The balance will be used for general corporate purposes.**

**Southern New England's service territory includes nearly all of the State of Connecticut. There are about 26,000 telephones in service. For the six months ended June 30, 1959 the company reported total operating revenues of $62,558,348 and net income of $9,540,829 compared with $57,989,152 and $8,468,812 in the like period of 1958.**

**Capitalization of the company outstanding on July 31, 1959 consisted of 6,888,678 shares of common stock and $120,000,000 of funded debt.**

## Transdyne Corp. Com. Placed With Investors

**Public offering of 300,000 shares of Transdyne Corp. common stock at a price of $1 per share was made on Sept. 23 by Simmons & Co. and Kenneth Kass. The shares which were offered as a speculation, have been sold and the books closed on the offering.**

**Net proceeds from the sale of the common shares will be used by the company for general corporate purposes, including the relocation of its plant, the purchase of additional electronic laboratory equipment and machine shop equipment, development of new products, the repayment of bank loans, and for working capital.**

**Transdyne Corp., with its principal office and plant now located in Maspeth, New York, is engaged in the engineering, design and manufacture of electronic equipment for United States Government agencies uses and for commercial application. At present, the company's main activity is as a Prime Government Contractor. In this work the company designs and manufactures simulators, trainers, radar indicator equipment, loran equipment, power supplies and navigational test equipment on contracts from the U. S. Naval Training Device Center, Port Washington N. Y., the Navy Bureau of Ships and the U. S. Air Force. The company also manufactures a proprietary product, a portable instrument for testing radio compass receivers and loops (the Radio Compass Test Shield, Type G-1). The company's backlog of orders at June 30, 1959 was $396,843.**

**Outstanding capitalization of the company will consist of 750,305 shares of common stock following the sale of the 300,000 shares of stock. For the nine months ended June 30, 1959, the company had net sales of $160,063 and a net profit of $14,700.**

# Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

**Abbott-Warner Co., Inc.**
Aug. 12 (letter of notification) 62,500 shares of common stock (no par). **Price**—$2.70 per share. **Proceeds**—To prepare estimates and to submit bids, as a prime contractor on specialized construction projects. **Underwriter**—Strathmore Securities, Inc., 605 Park Bldg., Pittsburgh 22, Pa.

**● Acme Missiles & Construction Corp. (10/12)**
July 24 filed 200,000 shares of common stock (par 25c), of which 150,000 shares will be offered for public sale for the account of the company, and 50,000 shares will be offered for the accounts of the present holders thereof. **Price**—$6 per share. **Proceeds**—For general corporate purposes, including additional personnel, office space, equipment, and the provision of funds necessary to compete for certain contracts. **Office**—2949 Long Beach Road, Oceanside, L. I., N. Y. **Underwriter** — Myron A. Lomasney & Co., New York.

**★ AFCO Land Co.**
Sept. 15 ( letter of notification) 11,000 shares of preferred stock. **Price**—At par ($25 per share). **Proceeds**—To purchase commercial and industrial property and for working capital. **Office**—15th floor, Hoge Bldg., Seattle 4, Wash. **Underwriter**—None.

**Airtronics International Corp. of Florida**
Aug. 31 (letter of notification) 109,090 shares of common stock (par 10 cents). **Price**—$2.75 per share. **Proceeds**—To be used to pay off loan and increase working capital. **Office**—Fort Lauderdale, Fla. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

**★ Alaska Consolidated Oil Co., Inc.**
Sept. 17 filed 3,000,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For further development and exploration of the oil and gas potential of the company's Alaska properties. **Office**—80 Wall St., New York. **Underwriter**—To be supplied by amendment. **Offering**—Expected in about six to eight weeks.

**Alaska Mines & Metals Inc.**
Feb. 25 filed 1,431,200 shares of common stock (par $1), of which 1,000,000 shares are to be offered publicly and 431,200 shares are to be reserved for sale to the holders of 6% debentures due 1962 issued by DeCoursey-Brewis Minerals Ltd., the company's parent (payment for the shares by such debenture holders may be made by delivery of debentures at par plus interest with premium for Canadian exchange rate). Purchasers will receive common stock purchase warrants on all shares purchased for cash or for the 6% debentures of the parent at the rate of one for each five shares purchased. **Price**—$1.25 per share. **Proceeds**—For general corporate purposes and working capital. **Office**—423 Fourth Ave., Anchorage, Alaska. **Underwriter**—To be named by amendment.

**Alliance Tire & Rubber Co. Ltd.**
Sept. 9 filed 100,000 shares of class A stock. **Price**—$12.60 per share, payable either in cash or in bonds issued by the State of Israel. **Proceeds**—For expansion. **Office**—Hadera, Israel. **Agent** — Harry E. Brager Associates, Washington, D. C.

**Allied Colorado Enterprises Co.**
July 13 filed 5,899,618 shares of class A common stock and 551,140 shares of class A-1 common stock for issuance under outstanding subscription agreements at 75 cents per share and 6,576,200 shares of class A common stock for issuance under outstanding option agreements at 25 cents per share. These securities will not be issued if the options and subscription agreements are not exercised. **Proceeds**—For working capital and surplus of subsidiaries and for general corporate purposes. **Underwriters**—Allen Investment Co., Boulder, Colo.

**Allied Colorado Enterprises Co.**
July 13 filed 3,000,000 class A common stock (par 25 cents). **Price**—90 cents per share. **Proceeds**—For general corporate purposes. **Office**—Boulder, Colo. **Underwriter**—Allen Investment Co., Boulder, Colo.

**● Allied Petro-Chemicals, Inc.**
July 14 filed 100,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To be added to company funds. **Office**—Overbrook Hills, Pa. **Underwriter**—Philadelphia Securities Co., Inc., Philadelphia, Pa. Statement was withdrawn on Sept. 16.

**Allied Radio Corp. (10/6)**
Sept. 3 filed 333,335 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—100 North Western Ave., Chicago, Illinois. **Underwriter** — White, Weld & Co., New York.

**American Beverage Corp.**
July 16 filed 950,000 shares of common stock (par $1), being exchanged for all the outstanding capital stock of a group of seven "Golden Age" companies. Stockholders on Aug. 10 approved the exchange offer, and voted to increase the number of outstanding shares from 250,000 to 2,000,000. **Office** — 113 N. 11th St., Brooklyn, N. Y. **Underwriter**—None. Statement effective Aug. 25.

**American Buyers Credit Co.**
Nov. 13, 1958, filed 5,000,000 shares of common stock, of which 4,545,455 shares of this stock are to be offered for public sale at $1.75 per share. [Shares have been issued or are issuable under agreements with various policy holders in American Buyers Life Insurance Co. and American Life Assurance Co. (both of Phoenix) permitting them to purchase stock at $1.25 per share. Sales personnel have been given the right to purchase stock at $1.25 per share up to the amount of commission they receive on stock sales made by them.] **Proceeds**—For the operation of other branch offices, both in Arizona and in other states. **Office** — 2001 East Roosevelt, Phoenix, Ariz. **Underwriter**—None.

**● American Educational Life Insurance Co.**
Sept. 15 filed 3,800,000 shares of class A common stock (voting), and 950,000 shares of class B common stock (non-voting), to be offered in units of four shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Proceeds** — For general corporate purposes. **Office**—Nashville, Tenn. **Underwriter**—Standard Securities Corp., Third National Bank Bldg., Nashville, Tenn.

**American Electric Power Co., Inc. (10/22)**
Sept. 9 filed 1,200,000 shares of common stock (par $10). **Proceeds**—To be applied to the retirement of $52,000,000 of outstanding bank notes, due Nov. 25, 1959, with any remaining balance to be used for general corporate purposes. **Office**—30 Church Street, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc. and Goldman, Sachs & Co. (jointly); Eastman Dillon, Union Securities & Co. and The First Boston Corp. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on Oct. 22.

**American Greetings Corp. (9/29)**
Aug. 28 filed $5,000,000 of 20-year convertible subordinated debentures due Oct. 1, 1979. **Price**—To be supplied by amendment. **Proceeds** — To retire short-term loans and for general corporate purposes. **Business**—The company is engaged in the design, manufacture and sale of greeting cards and gift wrappings. **Underwriters**—Goldman, Sachs & Co., New York, and McDonald & Co., Cleveland, Ohio.

**American Hospital Supply Corp.**
April 20 filed 20,610 shares of common stock (par $2) being offered in exchange for common stock of Massillon Rubber Co. on the basis of nine shares of American common for one share of Massillon common. **Office**—2020 Ridge Avenue, Evanston, Ill. **Underwriter**—None. Statement effective July 29.

**American Investors Syndicate, Inc.**
June 25 filed 600,000 shares of common stock (par 10 cents), and 200,000 shares of 6% preferred stock (no par value, $9 stated value), to be offered in units consisting of 3 shares of common ($1 each) and 1 share of preferred ($9). **Price**—$12 per unit. **Proceeds**—For construction and related expenditures. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter**—Lindsay Securities Corp., New Orleans, La. The SEC had scheduled a hearing, to begin on Sept. 2, which will determine whether a stop order will be issued suspending the offering.

**American Mines, Inc.**
June 29 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds**—To assume and pay an option held by its Mexican subsidiary to purchase certain mining claims in the State of Durango, Mexico, owned by Compania Minera La Bufa, S. A., by paying to such company $50,000; to construct and place in working operation a mine, mill and accessories capable of processing 100 tons of gold ore per day estimated to cost $350,000; payment of about $15,000 of other obligations; to carry on with the balance of the proceeds an exploration program for additional gold and mineral properties both in Mexico and the United States. **Office** — Bank of the Southwest Building, Houston, Tex. **Underwriter**—None.

**★ American Motorists Insurance Co.**
Sept. 22 filed 166,666⅔ shares of captal stock, to be offered to holders of outstanding shares of such stock of record Oct. 26, 1959, in the ratio of one new share for each eight shares then held. **Price**—$12 per share. **Proceeds**—To raise the ratio of its capital stock, surplus, and surplus reserve to premium writings, to increase underwriting capacity, and for genral corporate purposes. **Office**—4750 Sheridan Road, Chicago, Ill. **Underwriter**—None.

**American Service Life Insurance Co.**
Sept. 14 filed 375,000 shares of common stock, of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including, possibly, the acquisition of similarly engaged companies. **Office**—113 Northeast 23rd Street, Oklahoma City, Okla. **Underwriter** — First Investment Planning Co., Washington, D. C.

**American States Insurance Co.**
Aug. 3 filed 108,144 shares of class A stock (par $1) limited voting, to be offered for subscription by holders of outstanding class A and class B stock at the rate of one additional share for each four shares of class A and class B stock held as of the record date. **Price**—To be supplied by amendment. **Proceeds** — To be added to the general funds of the company. **Office**—542 North Meridian Street, Indianapolis, Ind. **Underwriter**—City Securities Corp., Indianapolis, Ind.

**Ampal-American Israel Corp.**
July 30 filed $3,000,000 of five-year 5% sinking fund debentures, series G, due 1964, and $3,000,000 of 10-year 6% sinking fund debentures, series H, due 1969. **Price**—At 100% of principal amount. **Proceeds**—To develop and expand various enterprises in Israel. **Office**—17 E. 71st Street, New York. **Underwriter**—None. **Offering**—Expected sometime during September.

**Anglo Murmont Mining Corp., Ltd.**
Sept. 1 filed 250,000 shares of common stock. **Price**—Initial price of 40 cents per share. **Proceeds**—To be used to pay for exploration and development of mines and rest of the funds will be added to general funds of the company and used for working capital. **Office**—Prince Albert, Saskatchewan, Canada. **Underwriter** — None.

**● Anodyne, Inc., Bayside, L. I., N. Y. (10/15)**
Sept. 9 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For expansion and general corporate purposes. **Underwriter**—Ross, Lyon & Co., Inc., New York, N. Y.

**Anthony Powercraft**
Sept. 8 (letter of notification) 241,200 shares of 5% cumulative convertible preferred stock to be offered for subscription by common stockholders at the rate of two preferred shares for each three shares of common stock held. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, new tools, construction and for working capital. **Office**—5871 E. Firestone Boulevard, South Gate, Calif. **Underwriter**—None.

**Apache Oil Corp.**
May 25 filed 350 units of participation in the Apache Oil Program 1960 and 70,000 rights for the purchase of common stock (par $1.25). The offering is being made only to the stockholders of the company. Each subscription to a unit in Apache Oil Program 1960, will entitle the subscriber to subscribe also to 200 rights for the purchase of one share per right of the company's $1.25 par value common stock. Warrants evidencing the rights will be nontransferable prior to Aug. 16, 1960, and will expire at 2:00 p.m., (CST) on Jan. 31, 1962. Unless Apache Oil Program 1960 commences operations on or before June 30, 1960, all unexercised rights will be void as of 2:00 p.m. (CST) on that date, and their purchase price will be refunded. **Price**—$12,000 per unit. **Proceeds** — For general corporate purposes. **Office** — 523 Marquette Avenue, Minneapolis, Minn. **Underwriter**—APA, Inc., the corporation's subsidiary.

**Apache Realty Corp.**
Aug. 13 filed $1,500,000 of 6% subordinated debentures and 360,000 shares of common stock (par $1). **Price**—$6,200 per unit of five debentures and 1,200 shares of common stock. **Proceeds**—For the purchase and development of land to be made into a shopping center in St. Anthony, Minn., and other real estate dealings. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriters**—The issuing company and its subsidiary, The Fund Corp. of Minneapolis.

**Associations Investment Fund**
Aug. 28 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in common stocks. **Office**—301 W. 11th Street, Kansas City, Mo. **Underwriter**—Jones Plans, Inc., a subsidiary of R. B. Jones & Sons, Inc.

**Aurora Plastics Corp. (10/5-9)**
Sept. 2 filed 225,000 shares of common stock (par $1) of which 150,000 shares are to be sold for the account of the issuing company, and 75,000 shares for selling stock holders. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase of additional equipment and raw material, and for additional working capital. **Office**—44 Cherry Valley Road, West Hempstead, L. I., N. Y. **Underwriter**—Burnham & Co., New York.

**Australian Grazing & Pastoral Co., Ltd.**
Jan. 13 filed 4,000,000 shares of common stock. **Price**—At par (56¼ cents per share). **Proceeds**—To purchase cattle; for improvements; to buy additional ranch in Queensland, Australia; and for other corporate purposes. **Office** — 1301 Avenue L, Cisco, Texas. **Underwriter** — None. Robert Kamon is President.

**● Bank Stock Corp. of Milwaukee**
Sept. 11 filed 605,000 shares of common stock, to be offered in exchange for common stock of Marshall & Ilsley Bank and the capital shares of the Northern Bank, on the basis of two of the issuing company's shares for each such Marshall & Ilsley share, and 10½ of the issuing company's shares for each such Northern Bank share. The exchange offer is conditioned upon the issuing company acquiring by exchange not less than 80% of the outstanding shares of the other banks, which are also located in Milwaukee, and has been approved by the Federal Reserve Board on the condition that the exchange take place by Dec .3, 1959. The exchange offer will expire on Nov. 13, unless extended. **Office**—721 North Water St., Milwaukee, Wis.

**Bankers Management Corp.**
Sept. 10 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—1404 Main Street, Houston 2, Texas. **Underwriter**—Daggett Securities, Inc., Newark, N. J. **Offering**—Expected in about 60 days.

**Bankers Preferred Life Insurance Co.**
Jan. 30 (letter of notiifcation) 100,000 shares of common stock (par $1.60). **Price**—$3 per share. **Proceeds**—For expenses incidental to operation of an insurance company. **Office**—Suite 619, E. & C. Bldg., Denver, Colo. **Underwriter**—Ringsby Underwriters, Inc., Denver 2, Colo.

**Basic Materials, Inc.**
April 9 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office**—c/o Harold A. Roberts, President, Arroyo Hondo, Santa Fe, N. Mex. **Underwriter** — Hyder, Rosenthal & Co., Albuquerque, N. Mex. Letter to be amended.

**BBM Photocopy Manufacturing Corp. (9/30)**
Aug. 27 (letter of notification) 100,000 shares of capital stock (par five cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—42 W. 15th St., New York, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York, N. Y.

**● Belco Petroleum Corp. (9/28-10/2)**
Aug. 14 filed $7,200,000 of 5.83% convertible subordinated debentures, due 1974, and 400,000 shares of common stock (par $1) to be offered in units, each unit consisting of $36 of debentures and two shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes, including repayment of all existing debts to banks. **Office** — 630 Third Ave., New York. **Underwriters**—White, Weld & Co., and Goldman, Sachs & Co., both of New York.

**Berens Real Estate Investment Corp.**
July 31 filed $1,200,000 of 6½% debentures, due 1969, and 80,000 shares of common stock (par $5). **Price**—$500 per unit, each unit to consist of $300 of debentures and 20 shares of common stock. **Proceeds**—For working capital. **Office**—1722 L Street N. W., Washington, D. C. **Underwriter**—Berens Securities Corp., same address.

**● Beverages Bottling Corp.**
July 6 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For construction or purchase of additional facilities for the manufacture, warehousing and distribution of beverages. **Office**—800 St. Anns Avenue, Bronx, N. Y. **Underwriter**—Financial Management, Inc., 11 Broadway, New York, N. Y. **Offering**—Expected today (Sept. 24).

**★ Black Hills Chemical & Feldspar Corp., Custer, S. Dak.**
Sept. 11 (letter of notification) 400,000 shares of common stock. **Price**—At par (50 cents per share). **Proceeds**—For mining expenses. **Underwriter**—None.

**Biochemical Procedures, Inc. (10/12-16)**
Sept. 9 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For expansion and additional working capital. **Office**—Los Angeles, Calif. **Underwriter**—Shields & Co., New York.

**Border Steel Rolling Mills, Inc.**
Sept. 14 filed $2,100,000 of 15-year 6% subordinated sinking fund debentures, due 1974, and 210,000 shares of common stock, to be offered in units of $50 principal amount of debentures and five shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of land and construction thereon, and for the manufacture and installation of necessary equipment. **Office**—1609 Texas Street, El Paso, Texas. **Underwriters**—First Southwest Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas.

**Border Steel Rolling Mills, Inc.**
Sept. 14 filed 226,380 shares of common stock, to be offered for subscription by stockholders of record Aug. 31, 1959, on the basis of 49 new shares for each share then held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 1609 Texas Street, El Paso, Texas. **Underwriter**—None.

**Bostic Concrete Co., Inc.**
June 19 (letter of notification) $250,000 of 8% convertible debentures due July 1, 1969 and 10,000 shares of class A common stock (par $1) to be offered in units of one $500 debenture and 20 shares of class A common stock. **Price**—$600 per unit. **Proceeds**—To pay obligations and for working capital. **Office** — 1205 Oil Centre Station, Lafayette, La. **Underwriter**—Syle & Co., New York, N. Y.

**● Boston Edison Co. (9/30)**
Sept. 4 filed $15,000,000 of first mortgage bonds series G, due Oct. 1, 1989. **Proceeds**—To reduce bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Harriman Ripley & Co. Inc.; Lehman Brothers; White, Weld & Co. **Bids**—Expected to be received up to 11 a.m. (EDT) on Sept. 30, at 182 Tremont St., Boston 12, Mass.

**Boston Edison Co. (9/25)**
Sept. 4 filed 271,553 shares of common stock (par $25) to be offered for subscription by holders of outstanding common stock of record Sept. 25, 1959, at the rate of one new share for each ten shares held; rights to expire on Oct. 13, 1959. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank debt. **Office**—182 Tremont St., Boston, Mass. **Underwriter** — The First Boston Corp., New York.

**Bradco 1960 Associates, Inc.**
Aug. 24 filed $2,500,000 of participating interests under a Participation Agreement in Associates Oil and Gas Exploration Program. **Price**—$10,000 per unit. **Proceeds**—For the acquisition and exploration of undeveloped oil and gas properties. **Office**—Bank of the Southwest Bldg., Houston, Texas. **Underwriters** — The offering is to be made on a best efforts basis by 2338 Sales, Inc. (an affiliate of the issuing company) and certain company officers, including W. H. Hendrickson, Board Chairman.

**● Butler's Shoe Corp., Atlanta, Ga. (10/14)**
Sept. 16 filed 100,000 shares of common stock (par $1), of which, 40,000 shares will be sold for the company's account and 60,000 shares for the account of certain

*Continued on page 42*

# NEW ISSUE CALENDAR

**September 24 (Thursday)**

Beverages Bottling Corp. ........ **Common**
(Financial Management, Inc.) $300,000
Construction Products Corp. ........ **Common**
(Clayton Securities Corp.) $750,000
Navco Electronic Industries, Inc. ........ **Common**
(Aetna Securities Corp.) $285,600
United States Fidelity & Guaranty Co. ........ **Common**
(Bids noon EDT) 3,232 shares

**September 25 (Friday)**

Boston Edison Co. ........ **Common**
(Offering to stockholders—underwritten by The First Boston Corp.) 271,553 shares
Dixon Chemical & Research, Inc. ........ **Preferred**
(Hardy & Co. and P. W. Brooks & Co., Inc.) $1,000,000
General Contract Finance Corp. ........ **Preferred**
(G. H. Walker & Co.) $4,000,000

**September 28 (Monday)**

Buckingham Transportation Inc. ........ **Common**
(Cruttenden, Podesta & Co.) 250,000 shares
Central Corp. ........ **Common**
(Arnold Malkan & Co.) $600,000
First Philadelphia Corp. ........ **Common**
(First Philadelphia Corp.) $300,000
Gateway Airlines, Inc. ........ **Common**
(Dunne & Co.) $600,000
Guerdon Industries, Inc. ........ **Common**
(Blair & Co., Inc.) 400,006 shares
Jostens, Inc. ........ **Common**
(A. G. Becker & Co.) 290,035 shares
Manpower, Inc. ........ **Common**
(Smith, Barney & Co.) 150,000 shares
Matronics, Inc. ........ **Common**
(Vermilye Brothers) $750,000
N. A. Building Associates ........ **Participations**
(No underwriting) $2,120,000
Radio Frequency Co., Inc. ........ **Common**
(Myron A. Lomasney & Co.) $300,000
Rad-O-Lite, Inc. ........ **Common**
(John G. Cravin & Co.) $450,000
Random House, Inc. ........ **Common**
(Allen & Co.) 222,060 shares
Service Life Insurance Co. ........ **Common**
(Kay & Co., Inc.) $500,000
Southern Gulf Utilities, Inc. ........ **Common**
(Jaffee, Leverton, Reiner Co.) 135,000 shares
Standard Beryllium Corp. ........ **Common**
(R. G. Williams & Co., Inc.) $225,000
Tang Industries, Inc. ........ **Common**
(David Barnes & Co., Inc.) $330,000

**September 29 (Tuesday)**

American Greetings Corp. ........ **Debentures**
(Goldman, Sachs & Co. and McDonald & Co.) $5,000,000
Belco Petroleum Corp. ........ **Debentures & Common**
(White, Weld & Co. and Goldman, Sachs & Co.) $7,200,000
Fair Lanes, Inc. ........ **Common**
(R. S. Dickson & Co. and Alex. Brown & Sons) 120,000 shares
Southern California Gas Co. ........ **Bonds**
(Bids 8:30 a.m. PDT) $30,000,000
United Utilities, Inc. ........ **Common**
(Offering to stockholders—underwritten by Kidder, Peabody & Co.) 229,606 shares

**September 30 (Wednesday)**

BBM Photocopy Manufacturing Corp. ........ **Common**
(Myron A. Lomasney & Co.) $300,000
Boston Edison Co. ........ **Bonds**
(Bids to be invited) $15,000,000
Camloc Fastener Corp. ........ **Common**
(Van Alstyne, Noel & Co.) $1,354,500
Harnischfeger Corp. ........ **Common**
(The First Boston Corp.) 200,000 shares
Missouri Pacific R.R. ........ **Equip. Trust Ctfs.**
(Bids to be invited) $3,225,000
National Co., Inc. ........ **Common**
(White, Weld & Co.) 200,000 shares
Space Components, Inc. ........ **Common**
(Bertner Bros. and Earl Edden Co.) $200,000
Waddell & Reed, Inc. ........ **Common**
(Kidder, Peabody & Co.) 80,000 shares

**October 1 (Thursday)**

Velvex Mid-City Parking Center ........ **Participations**
(First Republic Underwriters) $1,015,000
York Research Corp. ........ **Class A**
(Myron A. Lomasney & Co.) $450,000

**October 5 (Monday)**

Aurora Plastics Corp. ........ **Common**
(Burnham & Co.) 225,000 shares
Bzura Chemical Co., Inc. ........ **Bonds**
(P. W. Brooks & Co., Inc.) $2,400,000
Bzura Chemical Co., Inc. ........ **Common**
(P. W. Brooks & Co., Inc.) 240,000 shares
Colonial Corp. of America ........ **Common**
(Bear, Stearns & Co.) 120,000 shares
Electro-Sonic Laboratories, Inc. ........ **Common**
(L. D. Sherman & Co.) $300,000
MCA, Inc. ........ **Common**
(Lehman Brothers) 400,000 shares
Missile Systems Corp. ........ **Common**
(J. A. Hogle & Co. and Warner, Jennings, Mandel & Longstreth) $299,250
Narda Microwave Corp. ........ **Common**
(Milton D. Blauner & Co., Inc.) 50,000 shares
Perfect Photo, Inc. ........ **Common**
(Drexel & Co.) 150,000 shares
Porce-Alume, Inc. ........ **Common**
(Pearson, Murphy & Co., Inc.) $300,000
Tassette, Inc. ........ **Common**
(Amos Treat & Co., Inc. and Truman, Wasserman & Co.) $300,000
West Florida Natural Gas Co. ........ **Debentures**
(Beil & Hough, Inc.) $837,200

**October 6 (Tuesday)**

Allied Radio Corp. ........ **Common**
(White, Weld & Co.) 333,335 shares
Electronic Communications, Inc. ........ **Debentures**
(Laird & Co., Corp.) $5,000,000
Zale Jewelry Co., Inc. ........ **Common**
(Goldman, Sachs & Co., and Eppler Guerin & Turner, Inc.) 108,989 shares

**October 7 (Wednesday)**

Crowley's Milk Co., Inc. ........ **Common**
(Auchincloss, Parker & Redpath) $1,200,000
Raymond Service, Inc. ........ **Common**
(The James Co.) $300,000

**October 8 (Thursday)**

Columbia Gas System Inc. ........ **Debentures**
(Bids 11 a.m. EDT) $25,000,000
Manchester Bank of St. Louis (Mo.) ........ **Common**
(Offering to stockholders—underwritten by G. H. Walker & Co.) 45,000 shares

**October 12 (Monday)**

Acme Missiles & Construction Corp. ........ **Common**
(Myron A. Lomasney & Co.) $1,200,000
Biochemical Procedures, Inc. ........ **Common**
(Shields & Co.) 100,000 shares
Dow Chemical Co. ........ **Common**
(Offering to employees) 120,000 shares
Dynex, Inc. ........ **Common**
(Myron A. Lomasney & Co.) $600,000
Hickok Electrical Instrument Co. ........ **Debentures**
(Hayden, Miller & Co.) $500,000
Hickok Electrical Instrument Co. ........ **Common**
(Hayden, Miller & Co.) 90,000 shares
Pantasote Co. ........ **Debentures**
(Blair & Co., Inc.) $2,700,000
Roto-American Corp. ........ **Common**
(Morris Cohon & Co.) $300,000
Shell Electronics Manufacturing Corp. ........ **Common**
(Schweickart & Co.) $340,000
Southwest Airmotive Co. ........ **Common**
(Rauscher, Pierce & Co., Inc. and Dallas Rupe & Sons, Inc.) 200,000 shares

**October 13 (Tuesday)**

Oil Recovery Corp. ........ **Debentures**
(Lehman Brothers) $550,000
Oil Recovery Corp. ........ **Common**
(Lehman Brothers) 5,500 shares

**October 14 (Wednesday)**

Butler's Shoe Corp. ........ **Common**
(Goldman, Sachs & Co. and R. S. Dickson & Co., Inc.) 100,000 shares
Philadelphia Electric Co. ........ **Bonds**
(Bids to be invited) $50,000,000
Thrift Drug Co. of Pennsylvania ........ **Common**
(Singer, Deane & Scribner) 75,000 shares

**October 15 (Thursday)**

Anodyne, Inc. ........ **Common**
(Ross, Lyon & Co., Inc.) $300,000
Northern Natural Gas Co. ........ **Preferred**
(Blyth & Co., Inc.) $20,000,000
Radiant Lamp & Electronics Corp. ........ **Common**
(Offering to stockholders—underwritten by Amos Treat & Co.) $250,000

**October 19 (Monday)**

Daitch Crystal Dairies, Inc. ........ **Debentures**
(Hirsch & Co.) $3,500,000

**October 20 (Tuesday)**

Servo Corp. of America ........ **Debentures**
(Ira Haupt & Co.) $1,000,000
Southern Bell Telephone & Telegraph Co. ........ **Debs**
(Bids to be invited) $70,000,000
Vernors Ginger Ale, Inc. ........ **Common**
(Baker, Simonds & Co., Inc. and William J. Mericka & Co., Inc.) 282,760 shares
Vernors Ginger Ale, Inc. ........ **Debentures**
(Baker, Simonds & Co., Inc. and William J. Mericka & Co., Inc.) $750,000

**October 21 (Wednesday)**

Frantz Manufacturing Co. ........ **Common**
(Blair & Co., Inc.) 190,953 shares
Western Massachusetts Electric Co. ........ **Bonds**
(Bids 11 a.m. EDT) $8,000,000

**October 22 (Thursday)**

American Electric Power Co. ........ **Common**
(Bids 11 a.m. EDT) 1,200,000 shares

**October 26 (Monday)**

California Liquid Gas Corp. ........ **Common**
(Kidder, Peabody & Co.) 100,000 shares

**October 27 (Tuesday)**

Florida Power & Light Co. ........ **Bonds**
(Bids to be invited) $20,000,000

**October 28 (Wednesday)**

Puget Sound Power & Light Co. ........ **Bonds**
(Bids to be invited) $20,000,000

**October 29 (Thursday)**

Wisconsin Public Service Co. ........ **Bonds**
(Bids 11 a.m. EST) $8,000,000

**November 17 (Tuesday)**

American Telephone & Telegraph Co. ........ **Debens.**
(Bids to be received) $250,000,000

**November 24 (Tuesday)**

Gulf States Utilities Co. ........ **Bonds**
(Bids 11 a.m. EST) $16,000,000

**December 1 (Tuesday)**

Consolidated Edison Co. of New York, Inc. ........ **Bonds**
(Bids to be invited) $50,000,000

**December 8 (Tuesday)**

Louisiana Gas Service Co. ........ **Bonds**
(Bids to be invited) $6,000,000

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selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Underwriters**—Goldman, Sachs & Co., New York; and R. S. Dickson & Co., Inc., Charlotte, N. Car.

**● Bzura Chemical Co., Inc. (10/5)**
Aug. 12 filed $2,400,000 of 6½% first mortgage bonds, due 1979 and 240,000 shares of common stock (par 25 cents), to be offered in units consisting of $500 principal amount of bonds and 50 shares of common stock. **Price**—$500 per unit. **Proceeds**—To be used for placing a new plant in operation in Fieldsboro, N. J. **Office**—Broadway and Clark Streets, Keyport, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York.

**Cador Production Corp., Far Hills, N. J.**
Aug. 18 filed 1,500,000 shares of class A stock (par $1) and 225,000 shares of class B stock (60c par). The 225,000 shares of class B stock are not being offered for sale, but may be issued as commission in connection with the distribution of the class A stock. **Price**—At par in exchange for "property interests." **Agent**—Dewey & Grady Inc., Far Hills, N. J. on a "best efforts" basis for the class A stock only.

**★ California Liquid Gas Corp. (10/26-30)**
Sept. 16 filed 100,000 shares of common stock, of which 55,000 shares are to be offered for the account of the issuing company, and 45,000 shares, representing outstanding stock, are to be offered for the account of the present holder thereof (of which latter amount 2,000 shares will be sold to certain employees). **Price**—To be supplied by amendment. **Proceeds**—To repay indebtedness, purchase new transport equipment, and for working capital. **Address**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

**California Metals Corp.**
July 27 filed 2,500,000 shares of common stock. **Price**—At par (20 cents per share). **Proceeds**—For construction of a pilot plant; for measuring ore; for assaying; and for general corporate purposes. **Office**—3955 South State St., Salt Lake City, Utah. **Underwriter**—Cromer Brokerage Co., Inc., Salt Lake City.

**California Mutual Co-Ply, Inc.**
Sept. 14 filed 140 shares of voting common stock. **Price**—At par ($5,000 per share). **Proceeds**—To purchase the mill and related facilities of Durable Plywood Co. for $690,000, with the balance to be used for working capital. **Office**—Calpella, Calif. **Underwriter**—The offering is to be made by Ramond Benjamin Robbins, one of the nine promoters, the list of which also includes Harry Ernest Holt, of Eureka, Calif., President of the company.

**● Camloc Fastener Corp. (9/30)**
Sept. 11 filed 150,500 shares of common stock (par $2). **Price** — $9 per share. **Proceeds** — To selling stockholder. **Office**—22 Spring Valley Road, Paramus, N. J. **Underwriter**—Van Alstyne, Noel & Co., New York.

**● Capital Shares, Inc.**
Aug. 3 filed 500,000 "Life Insurance Fund" shares. **Price**—To be supplied by amendment. **Proceeds**—For investment in the securities of companies engaged directly or indirectly in the life insurance business. **Office**—15 William Street, New York. **Underwriter**—Capital Sponsors, Inc., New York. **Offering**—Expected in late October.

**● Central Corp. (9/28)**
Aug. 3 filed 200,000 shares of common stock (par 10c). **Price**—$3 per share. **Proceeds**—For manufacturing and sales facilities and working capital, of subsidiaries; to repay loans. **Office**—1315 Dixwell Ave., Hamden, Conn. **Underwriter**—Arnold Malkan & Co., Inc., New York.

**★ Central and South West Corp. (10/29)**
Sept. 21 filed 350,000 shares of common stock (par $5). **Proceeds**—To prepay and discharge bank borrowings in the amount of $3,200,000, and to purchase during 1959-60 additional shares of common stock of Public Service Co. of Oklahoma, Southwestern Electric Power Co., and West Texas Utilities Co. **Office**—902 Market St., Wilmington, Del. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley &Co., Inc. (jointly); Lehman Brothers and Lazard Freres & Co. (jointly); The First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—Tentatively expected Oct. 29.

**Century Properties, Los Angeles, Calif.**
Aug. 5 (letter of notification) 33,880 shares of common stock (par $1), being offered for subscription by stockholders of record Sept. 1, 1959 on the basis of one new share for each 10 shares held; rights to expire on Oct. 1, 1959. **Price**—$4 per share. **Proceeds**—To reduce bank loans. **Office**—1758 South La Cienega Boulevard, Los Angeles, Calif. **Underwriter**—None. Bley Stein, President, will be offered any unsubscribed shares until Oct. 3, 1959.

**● Channing Service Corp.**
Sept. 9 filed (by amendment) an additional $40,000,000 of "Variable Investment Plan" Programs for the accumulation of shares of Institutional Growth Fund. **Office**—85 Broad St., New York City.

**★ Cherf Bros., Inc.**
Sept. 14 (letter of notification) 5,000 shares of common stock (par $10). **Price** — $20 per share. **Proceeds** — For working capital. **Office**—103 12th St., S. W., Ephrata, Wash. **Underwriter**—None.

**China Telephone Co., South China, Maine**
Aug. 7 (letter of notification) 2,000 shares of preferred stock to be offered for subscription by stockholders and the company's subscribers; unsubscribed shares to the public. **Price**—At par ($25 per share). **Proceeds**—To install a dial exchange at East Vassalboro, Maine; to construct a cable; to repay notes, etc. **Underwriter**—None.

**Citizens' Acceptance Corp.**
June 29 filed $600,000 of series F 6% five-year subordinated debentures, to be offered to the present holders of the company's subordinated debentures in exchange, at face value, on the maturity dates of those securities so long as there are bonds remaining unsold in this offering. No bonds will be reserved for this exchange offering. **Price**—100% of principal amount. **Proceeds**—To increase or maintain the working capital of the company but will be initially applied to the reduction of short-term notes due within one year. Part of the proceeds may also be used to retire outstanding subordinated debentures not exchanged. **Office**—Georgetown, Del. **Underwriter**—None.

**City Discount & Loan Co.**
July 30 (letter of notification) 120,000 shares of common stock (no par). **Price** — $2.50 per share. **Proceeds** — For working capital. **Office**—1005 Northeast Broadway, Portland, Ore. **Underwriter**—R. G. Williams & Co., Inc., New York, N. Y. has withdrawn as underwriter.

**Colonial Corp. of America (10/5-9)**
Sept. 3 filed 120,000 shares of common stock (par $1), of which 60,000 shares are to be offered for account of the company, and 60,000 shares for account of a selling stockholder. **Price** — To be supplied by amendment. **Proceeds**—For working capital to finance current and future expansion. **Office**—Woodbury, Tenn. **Underwriter**—Bear, Stearns & Co., New York.

**Colorado Water & Power Co.**
**Feb. 25 (letter of notification) $220,000 of 6% unsecured debentures due April 1, 1964 and 1,100 shares of common stock (par $1) to be offered in units of $200 of debentures and one share of stock. Price — $205 per unit. Proceeds—For working capital. Office—Suite 421, 901 Sherman Street, Denver, Colo.**

**Columbia Gas System, Inc. (10/8)**
Sept. 11 filed $25,000,000 of series N debentures due Oct. 1, 1984. **Proceeds**—For 1959 construction program. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received up to 11 a.m. (New York Time) on Oct. 8 at the office of the company, 120 East 41st Street, New York.

**Columbian Financial Development Co.**
Aug. 14 filed $1,000,000 of Plans for Investment in Shares in American Industry, of which $500,000 was for Single Payment Investment Plans and $500,000 for Systematic Investment Plans and Systematic Investment Plans With Insurance. **Office**—15 East 40th Street, New York. **Underwriter** — None. **Offering** — Expected some time in October.

**Commerce Oil Refining Corp.**
**Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,00 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. Price—To be supplied by amendment. Proceeds — To construct refinery. Underwriter—Lehman Brothers, New York. Offering—Indefinite.**

**Commercial Investors Corp.**
Nov. 28 (letter of notification) 900,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For investment. **Office**—450 So. Main St., Salt Lake City, Utah. **Underwriter**—Earl J. Knudson & Co., Salt Lake City, Utah.

**Consolidated Development Corp.**
Aug. 28 filed 448,000 shares of common stock, of which 198,000 shares are to be offered to holders of the issuing company's 6% convertible debentures, and 100,000 shares are to be offered to the underwriter, with the remaining 150,000 shares, in addition to those shares described above not subscribed for by the debenture holders and the underwriter, respectively, to be publicly offered. **Price** — For the shares to be offered to the debenture holders, 75 cents per share, which is equal to the price at which the debentures are convertible into common stock; for the shares to be offered to the underwriter, $1 per share; for the shares to be offered to the public, the price will be related to the current price of the outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — For general corporate purposes. **Office**—Calle 23, No. 956, Vedado, Havana, Cuba. **Underwriter**—H. Kook & Co., Inc., New York.

**● Construction Products Corp., Miami, Fla.**
Aug. 25 filed 250,000 shares of class A common stock (par $1), of which 200,000 shares will be sold for the account of certain selling stockholders and 50,000 shares will be sold for the company's account. **Price**—$3 per share. **Proceeds**—For working capital. **Underwriter**—Clayton Securities Corp., Boston, Mass. **Offering** — Expected today (Sept. 24).

**● Control Data Corp.**
Aug. 17 filed 99,594 shares of common stock (par 50 cents) being offered to common stockholders of record Sept. 3, 1959, on the basis of one new share for each eight shares then held, with an oversubscription privilege; rights to expire on Sept. 30. **Price**—$12 per share. **Proceeds** — For general corporate purposes, including working capital. **Office** — 501 Park Ave., Minneapolis, Minn. **Underwriter**—Dean Witter & Co., New York.

**Cordillera Mining Co., Grand Junction, Colo.**
Aug. 31 filed 4,234,800 shares of capital stock, of which 2,179,800 shares are to be offered solely to the holders of previously-issued options. These shares, together with the remaining 2,055,000 shares, may be offered for public sale by the holders thereof in the over-the-counter market from time to time. **Price**—To be related to the market price at the time of sale. **Proceeds**—For general corporate purposes, including working capital. **Underwriter**—None.

**Cree Mining Corp. Ltd.**
April 17 filed 260,000 shares of common stock. **Price**—80 cents per share. **Proceeds**—For exploation progam. **Office**—2100 Scarth St., Regina, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., also of Regina.

**Crescent Petroleum Corp., Tulsa, Okla.**
May 26 filed 48,460 shares of 5% convertible pfd. stock ($25 par) and 12,559 shares of common ($1 par), 34,460 shares of the preferred and 9,059 shares of common are issuable upon the exercise of stock options granted when the assets of Norbute Corp. were acquired on Aug. 6, 1958. **Underwriter**—None.

**Crowley's Milk Co., Inc. (10/7-8)**
Sept. 10 filed 120,000 outstanding shares of common stock. **Price**—At par ($10 per share). **Proceeds**—To selling stockholders. **Office**—145 Conklin Ave., Binghamton, N. Y. **Underwriter** — Auchincloss, Parker & Redpath, New York.

**★ Crown Zellerbach Corp.**
Sept. 22 filed 232,790 shares of common stock, to be offered to those employees of the company and its subsidiaries who hold options to purchase such shares granted pursuant to the company's Selected Employees Stock Option Plan. Office—343 Sansome Street, San Francisco, Calif.

**Crusader Oil & Gas Corp., Pass Christian, Miss.**
May 26 filed 1,500,000 shares of common stock, of which 641,613 shares will be offered on a one-for-one basis to stockholders of record May 15, 1959. The remaining 858,387 shares will be offered publicly by the underwriter on a "best efforts" basis. **Price**—To be supplied by amendment. **Proceeds**—For repayment of notes and for working capital. **Underwriter** — To be supplied by amendment.

**● Daitch Crystal Dairies, Inc. (10/19-23)**
Sept. 15 filed $3,500,000 of 5½% convertible subordinated debentures, due Oct. 1, 1979. **Price** — At 100% of principal amount. **Proceeds**—For working capital. **Office**—Bronx, New York. **Underwriter**—Hirsch & Co., New York.

**★ Delaware Fund, Inc.**
Sept. 18 filed an additional 1,500,000 shares of common stock. **Proceeds**—For investment. **Office**—Camden, N. J.

**Denab Laboratories, Inc.**
July 31 filed 50,000 shares of common stock (par $2.50). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including salaries, cars, promotion, inventory, the establishment of branch offices, expenses incidental to obtaining permission to do business in other states, and the establishment of a contingency reserve. **Office**—1420 East 18th Avenue, Denver, Colo. **Underwriter**—None.

**Development Corp. of America**
June 29 Registered issue. (See Equity General Corp. below.)

**Dilbert's Leasing & Development Corp.**
June 11 filed $4,400,000 of 20-year 5½% convertible debentures, due July 15, 1979 and 1,056,000 shares of common stock (par one cent) to be offered in units consisting of $50 principal amount of debentures and 12 shares of common stock. **Price**—$51.20 per unit. **Proceeds**—For repayment of notes; to develop and construct shopping centers and a super-market under existing purchase contracts and for working capital. **Name Changed** — Company formerly known as Dilbert's Properties, Inc. **Office**—93-02 151st Street, Jamaica, N. Y. **Underwriter**—S. D. Fuller & Co., New York. **Offering**—Expected in October.

**DIT-MCO, Inc.**
Sept. 8 filed 33,333 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the reduction of short-term bank borrowings. **Office** — 911 Broadway, Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc., and Barret, Fitch, North & Co., Inc., both of Kansas City, Mo.

**● Dixie Natural Gas Corp.**
July 30 (letter of notification) 277,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For expenses for developing leases in West Virginia. **Office**—115 Broadway, Suite 1400, New York 6, N. Y. **Underwriter** — Michael Fieldman, 25 Beaver St., New York. **Offering**—Expected this week.

**● Dixon Chemical & Research, Inc. (9/25)**
Aug. 25 filed 10,000 shares of 6% cumulative convertible preferred stock ($100 par). **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office**—1260 Broad St., Bloomfield, N. J. **Underwriters**—Hardy & Co. and P. W. Brooks & Co., Inc., both of New York.

**● Dooley Aircraft Corp.**
Aug. 14 filed 506,250 shares of common stock (par one cent), of which 375,000 shares are to be publicly offered. **Price**—$2 per share. **Proceeds**—To repay loans; to pay the $80,000 balance due on the company's purchase of the complete rights to the MAC-145 aircraft; and for working capital, including expenses for advertising. **Office**—105 West Adams St., Chicago, Ill. **Underwriter**—Mallory Securities, Inc., New York, has withdrawn as underwriter.

**Dow Chemical Co. (10/12)**
**Sept. 3 filed 120,000 shares of common stock to be offered for sale to employees of company and certain of its subsidiary and associated companies. Subscriptions will be accepted from Oct. 12 through Oct. 30. Price—To be announced on Sept. 30.**

**Drake Associates**
Aug. 20 filed $5,905,000 of limited partnership interests. **Price**—$10,000 for each of 590½ units. **Proceeds**—To buy the Hotel Drake, located at 56th St. and Park Ave., New York, from Webb & Knapp, Inc. **Office**—60 East 42nd St., New York. **Agents**—Domax Securities Corp., and Peter I. Feinberg Securities Corp., both of New York. **Offering**—Expected sometime prior to Oct. 1.

**Drexelbrook Associates**
May 22 filed $2,000,000 of partnership interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To be used for various acquisitions. **Office** — Broad & Chestnut Streets, Philadelphia, Pa. **Underwriter**—None.

**Durrazzo Products, Inc.**
Aug. 26 (letter of notification) 2,500 shares of common stock to be offered for subscription by stockholders. **Price**—At par ($10 per share). **Proceeds**—For additional improvement and for the purchase of machinery and equipment. **Office**—2593 Highway 55, St. Paul 18, Minn. **Underwriter**—None.

● **Dynex, Inc. (10/12-16)**
Aug. 6 filed 120,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including product research, the purchase of new equipment, and expansion. **Office** — 123 Eileen Way, Syosset, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

**ESA Mutual Fund, Inc.**
June 29 filed 2,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Investment Adviser**—Yates, Heitner & Woods, St. Louis, Mo. **Underwriter**—ESA Distributors, Inc., Washington, D. C. **Office**—1028 Connecticut Avenue, N. W., Washington, D. C.

**Edward Steel Corp., Miami, Fla.**
July 8 filed 140,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To repay loans, to acquire property and equipment, and for working capital. **Underwriter**—Charles Plohn & Co., New York. **Offering**—Expected in late October—

● **E. H. P. Corp.**
Aug. 31 filed 160,000 shares of capital stock, of which 100,000 shares are to be publicly offered. **Price**—$2.50 per share. **Proceeds**—To provide funds for the purchase of vending machines which will be used to distribute automobile breakdown insurance policies on thruways, parkways and highways in the amount of $25 of such breakdown insurance for the purchase price of 25 cents, and for a public relations and publicity program. Office—Hotel Troy Building, Troy, New York. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected during the next two months.

● **Electro-Sonic Laboratories, Inc. (10/5-9)**
Aug. 14 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire outstanding bank loan; to increase inventories; for sales and promotional activities; to improve production facilities and to acquire new and improved tools and machinery; for development and research and for working capital. **Office** — 35—54 Thirty-sixth St., Long Island City, N. Y. **Underwriter**—L. D. Sherman & Co., New York, N. Y.

**Electronic Communications, Inc. (10/6)**
Aug. 28 filed $5,000,000 of subordinated debentures, due Sept. 15, 1974 (with warrants for purchase of 20 shares of common stock for each $1,000 of debentures). **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including the repayment of outstanding indebtedness, the completion of construction, and the purchase of additional equipment. **Office**—1501 72nd St., North. St. Petersburg, Fla. **Underwriter**—Laird & Co., Corp., Wilmington, Del.

★ **Electronics Funding Corp.**
Sept. 15 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To go to the company. **Office**—c/o Darius Inc., 90 Broad Street, New York, 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

**Equity Annuity Life Insurance Co.**
April 21 filed $1,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—2480 16th Street, N. W., Washington, D. C. **Underwriter**—None.

**Equity General Corp.**
June 29 filed together with Development Corp. of America, registration statements seeking registration of securities, as follows: Equity General, 500,000 shares of common stock and 149,478 shares of preferred stock; and Development Corp., 500,000 shares of common stock. The Equity Corp. is the owner of 5,343,220 shares of Equity General common stock and proposes to offer 500,000 of such shares to the holders of Equity common in exchange therefor, on a one-for-one basis. Equity General is the owner of 2,399,504 shares of Development Corp. common and proposes to offer 500,000 of such shares to the holders of Equity General common in exchange therefor, on a one-for-one basis. The Board of Directors of Equity General has authorized the issuance of a maximum of 149,478 shares of Equity General preferred stock in exchange for shares of preferred stock of Development Corp., on the basis of one share of Equity General preferred for two shares of Development Corp. preferred. **Office**—103 Park Ave., New York City

● **Fair Lanes, Inc., Baltimore, Md. (9/29)**
Aug. 18 filed 120,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For working capital and other general corporate purposes. **Underwriters** — R. S. Dickson & Co., Inc., Charlotte, N. C., and Alex. Brown & Sons, Baltimore, Md.

**Faradyne Electronics Corp.**
Sept. 1 filed 230,000 shares of common stock (par five cents) of which 200,000 shares are to be publicly offered. **Price**—$5 per share. **Proceeds**—For general corporate purposes, including plant expansion, improvement and equipment. **Office** — 744 Broad St., Newark, N. J. **Underwriters** — Netherlands Securities Co., Inc. (handling the books) and Herbert Young & Co., Inc. (jointly); Morris Cohon & Co.; Schrijver & Co.; Richard Bruce & Co., Inc., all of New York. **Offering**—Expected in late September.

**Fidelity Investment Corp., Phoenix, Ariz.**
June 29 filed 1,799,186 shares of class A common stock, of which 1,700,000 shares are to be offered publicly, and the remaining 99,186 shares have been subscribed for in consideration for services rendered in organizing the company as an incentive to management. The company has agreed to issue to the organizers 200,000 shares of class B common stock; and 100,000 class B shares have been set aside for issuance to keep personnel other than the organizers. **Price**—To public, $3 per share. **Proceeds**—To be applied to pay interest due on properties and to purchase new properties and for working capital. **Underwriter**—None.

**Financial Industrial Income Fund, Inc.**
July 22 filed 1,000,000 shares of common capital stock. **Price**—At market. **Proceeds**—For investment. **Office**—950 Broadway, Denver, Colo. **General Distributor**—FIF Management Corp., Denver, Colo.

**First Northern-Olive Investment Co.**
Aug 17 filed 20 partnership interests in the partnership. Similar filings were made on behalf of other Northern-Olive companies, numbered "second" through "eighth." **Price**—$10,084 to $10,698 per unit. **Proceeds**—To purchase land in Arizona. **Office**—1802 North Central Ave., Phoenix, Ariz. **Underwriter**—O'Malley Securities Co., Phoenix.

● **First Philadelphia Corp. (9/28-10/2)**
Aug. 21 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—$3 per share (gross 30 cents per share to brokers selling 2,500 shares or less, and 45 cents per share to those brokers selling more than 2,500 shares). **Proceeds**—For working capital; general corporate purposes and to develop dealer relations. **Business** — A broker-dealer firm formed to underwrite and distribute new security issues. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—First Philadelphia Corp., New York, N. Y.

★ **First Virginia Corp.**
Sept. 16 filed 600,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay indebtedness, make additional investments in the common capital stock of subsidiary banks and, subject to the approval of the Federal Reserve System, purchase up to 3,600 shares of the common capital stock of The Purcellville National Bank, Purcellville, Loudon County, Va., for the approximate sum of $772,000 from J. R. Trammell & Co. **Office**—2924 Columbia Pike, Arlington, Va. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

**Flintkote Co., New York**
Aug. 28 filed 324,433 shares of common stock, of which 9,188 shares are reserved for options, and 315,295 shares are to be exchanged for common stock of Calaveras Cement Co. on the basis of 1.7 shares of Flintkote common for each outstanding share of Calaveras common. The exchange will be pursuant to an agreement whereby Calaveras will be merged into Flintkote on Sept. 30, 1959. **Underwriter**—None.

**Foto-Video Laboratories, Inc.**
July 15 filed 150,000 shares of class B common stock (par 10 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes, including the repaying of bank loans, the purchase of new equipment, and for working capital. **Office** — 36 Commerce Road, Cedar Grove, N. J. **Underwriter** — Arnold Malkan & Co., New York.

**Foundation Balanced Fund, Inc.**
June 18 filed 100,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Office**—418 Union St., Nashville, Tenn. **Investment Adviser**—J. C. Bradford & Co., Nashville, Tenn. **Distributor**—Capital Planning Services, Inc.

**Foundation Stock Fund, Inc.**
June 18 filed 100,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Office**—418 Union St., Nashville, Tenn. **Investment Adviser**— J. C. Bradford & Co., Nashville, Tenn. **Distributor**—Capital Planning Services, Inc.

★ **Francis Co., Louisville, Ky.**
Sept. 16 filed $433,125 of registered 6% debenture bonds, together with 144,375 shares of common stock, and voting trust certificates representing said stock. **Price**—$3,300 per unit of $2,475 principal amount of debenture bonds and 825 shares of common stock. **Proceeds** — To assist in the purchase of land and an office building and garage thereon, in Louisville. **Office** — 614 Kentucky Home Life Bldg., Louisville, Ky. **Underwriter**—None.

**Franklin Discount Co.**
Sept. 4 (letter of notification) $50,000 of 6-year 8% subordinated debentures. **Price**—At par. **Proceeds**—To purchase conditional sale contracts and for making loans. **Office**—105 N. Sage St., Toccoa, Ga. **Underwriter**—None.

**Frantz Manufacturing Co. (10/21)**
Sept. 11 filed 190,953 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—Company is engaged in the design, development, production and distribution of builders' hardware, primarily overhead type garage door hardware. **Office**—301 West 3rd St., Sterling, Ill. **Underwriter**—Blair & Co., Inc., New York.

● **Fredonia Pickle Co., Inc.**
July 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For production, equipment, inventory and working capital. **Office**—Cushing & Union Streets, Fredonia, N. Y. **Underwriter**—Summit Securities, Inc., 130 William Street, New York, N. Y. **Offering**—Expected in three or four weeks.

★ **Fuller (H. B.) & Co.**
Sept. 18 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To retire some of the unfunded indebtedness and for working capital. **Office**—255 Eagle Street, St. Paul 3, Minn. **Underwriter**—None.

● **Fyr-Fyter Co.**
Aug. 12 (letter of notification) 3,300 shares of 6% cumulative preferred stock. **Price**—At par ($30 per share). **Proceeds**—To go to selling stockholders. **Office**—2 West 46th St., New York 36, N. Y. **Underwriter**—None. **Offering**—Expected any day.

**Gateway Airlines, Inc. (9/28-10/2)**
Aug. 31 filed 400,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes, including the purchase of airplanes, spare parts, and equipment, the retirement of debt, and the increase of working capital. **Office** — MacArthur Field, Islip, L. I., N. Y. **Underwriter**—Dunne & Co., New York.

● **General Contract Finance Corp. (9/25)**
Aug. 24 filed 200,000 shares of convertible preferred stock, series A, ($20 par). **Price**—To be supplied by amendment. **Proceeds**—To aid in the expansion of the company's loan and finance company subsidiaries. **Office**—901 Washington Ave., St. Louis, Mo. **Underwriter**—G. H. Walker & Co., St. Louis, Mo. and New York, N. Y.

**General Finance Corp.**
Sept. 11 filed 150,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For working capital, with $15,000 being allocated for lease improvements and equipment and supplies. **Office** — Santurce, Puerto Rico. **Underwriter**—Caribbean Securities Co., Inc., Avienda Cangado 609, Santurce, Puerto Rico.

● **General Flooring Co., Inc. (10/12-16)**
Sept. 14 filed $1,500,000 of 6½% debentures, due Oct. 1, 1969, and 270,000 shares of common stock, to be offered in units of $100 principal amount of debentures and 18 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the purchase and installation of machinery and equipment. **Address** — P. O. Box 8169, New Orleans, La. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago, Ill.; Howard, Weil, Labouisse, Friedrichs and Co., New Orleans, La., and Mason-Hagan, Inc., Richmond, Va.

**General Merchandising Corp., Memphis, Tenn.**
Feb. 18 filed 250,000 shares of class "A" common stock (par one cent). **Price**—$10 per share. **Proceeds**—For working capital and general corporate purposes. **Underwriter** — Union Securities Investment Co., Memphis, Tenn. Statement effective April 24.

**General Underwriters Inc.**
April 6 (letter of notification) 225,000 shares of common capital stock (par 25 cents). Of the total, 195,000 shares are to be offered for the account of the company and 30,000 shares for a selling stockholder. **Price**—$1 per share. **Proceeds**—For furniture inventory and improved merchandising methods, to finance the real estate department and insurance policy loans. **Office**—211-215 Pine St., Pine Bluff, Ark. **Underwriter**—Lovan Securities Co., Inc., Pine Bluff, Ark. **Offering**—Expected any day.

● **Genesco, Inc.**
July 29 filed 535,000 shares of common stock (par $1), to be offered to the common shareholders of The Formfit Co., Chicago, Ill., on the basis of 0.891⅔ shares of Genesco common stock for each share of Formfit common stock. [Genesco has agreed to exchange 454,318 shares of its common stock for an aggregate of 509,516 shares or approximately 84.9% of the common stock of Formfit.] **Office**—111 Seventh Avenue, North, Nashville, Tenn. **Underwriter** — None. Statement effective Sept. 14.

**Gennaro Industries, Inc.**
Aug. 28 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For additional plant, equipment, retirement of outstanding notes and payables and working capital. **Office**—337 E. Diamond Avenue, 17th & Hayes Street, Hazelton, Pa. **Underwriter**—Reilly, Hoffman & Co., Inc., New York, N. Y. **Offering**—Expected in the latter part of September.

**Gold Medal Packing Corp.**
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change**—Formerly Eastern Packing Corp.

★ **Gold Medal Studios, Inc.**
Sept. 18 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes, including the purchase of additional studio equipment, investing in properties in the entertainment field, and the provision of funds for a down payment on another building or buildings. **Office**—807 E. 175th Street, New York, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

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**Government Employees Variable Annuity Life Insurance Co.**
Nov. 13 filed 2,500,000 shares of common stock (par $1) to be offered by company viz: (1) to holders of common stock (par $4) of Government Employees Insurance Co., on the basis of one warrant per share of stock held (1,334,570 shares are now outstanding); (2) to holders of common stock (par $1.50) of Government Employees Life Insurance Co., on the basis of 1½ warrants per share of stock held (216,429 shares are now outstanding); and (3) to holders of common stock (par $5) of Government Employees Corp., on the basis of ½ warrant per share of stock held (as of Dec. 31, 1958 there were 143,703 shares of stock outstanding and $589,640 of 5% convertible capital debentures due 1967, convertible into shares of common at $28.0374 per share. If all these debentures were converted into common stock prior to the record date, a total of 164,733 common shares would be outstanding. **Price**—$3 per share. **Proceeds**—For capital and surplus. **Office**—Government Employees Insurance Bldg., Washington, D. C. **Underwriters** — Johnston, Lemon & Co., Washington, D. C.; Eastman Dillon, Union Securities & Co., New York; and Abacus Fund, Boston, Mass.

**Great American Publications, Inc.**
Aug. 11 filed 260,000 shares of common stock (par 10 cents) of which 195,000 shares are to be publicly offered on a best effects basis. **Price**—At market. **Proceeds** — For working capital. **Office** — New York. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

**Great Lakes Bowling Corp.**
Aug. 31 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the development of bowling lanes, bars, and restaurants on various Michigan properties. **Office** — 6336 Woodward Ave., Detroit, Mich. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill.

**Great Western Life Insurance Co.**
June 29 filed 500,000 shares of common stock and options to purchase 200,000 additional shares of outstanding stock, to be offered in units, each consisting of five shares of common stock and an option to purchase two additional shares, the units to be offered for subscription by holders of the 1,500,000 outstanding common shares at the rate of one unit for each 15 shares held on or about Aug. 28, 1959; rights to expire on or about Sept. 28, 1959. The options evidence the right to purchase the 200,000 outstanding shares owned by Great Western Building & Loan Corp. **Price**—To be supplied by amendment. **Proceeds**—For loan to the subsidiary (Great Western Building & Loan Corp.); and the balance will be used to increase capital and surplus. **Office**—101-111 N. W. Second St., Oklahoma City, Okla. **Underwriters**—G. J. Mitchell, Jr. Co., Washington, D. C.; and Purvis & Co., Denver, Colo.

**Growth Fund of America, Inc.**
Feb. 4 filed 250,000 shares of common stock (par 10 cents). **Price**—At market. **Proceeds**—For investment **Office** — 1825 Connecticut Avenue, Washington, D. C **Investment Advisor** — Investment Advisory Service, Washington, D. C. **Underwriter**—Investment Management Associates, Inc., Washington, D. C.

**Guarantee Mortgage, Inc.**
Aug. 14 (letter of notification) $100,000 of 10-year 6% sinking fund debentures (in denominations of $1,000) Each debenture may be purchased with 100 warrants to buy one share of class A common stock (par $10). The right to purchase class A common stock by way of warrants will terminate Dec. 31, 1969. **Price**—90% without warrants. **Proceeds**—For investment purposes. **Office**—725 Failing Bldg., Portland 4, Ore. **Underwriter**—None.

**Guerdon Industries, Inc. (9/28-10/2)**
Aug. 21 filed 400,000 shares of class A common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank indebtedness by $3,500,000, and to pay off $2,500,000 notes. **Office**—3732 South Van Dyke Road Marlett, Mich. **Underwriter**—Blair & Co., Inc., New York

**● Harnischfeger Corp. (9/30)**
Aug. 28 filed 200,000 shares of common stock (par $10) **Price**—To be related to the market price of outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — In part to repay outstanding unsecured short-term bank loans, expected to approximate $4,000,000, with the balance to be used for general corporate purposes. **Office** — 4400 W. National Ave., Milwaukee, Wis. **Underwriter**—The First Boston Corp., New York.

**Hawaiian Telephone Co.**
Sept. 11 filed 290,055 shares of common stock, a portion of which will be offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one new share for each seven shares then held, and the balance of which will be offered for subscription by employees. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the cost of the company's construction program, the payment of $5,300,000 of bank loans obtained for such program, and the refunding of debentures and preferred shares. **Office**—1130 Alakea Street. **Underwriter**—None.

**Heliogen Products, Inc.**
Oct. 22, 1958 (letter of notification) 28,800 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For payment of past due accounts and loans and general working capital. **Office**—35-10 Astoria Blvd., L. I. C 3, N. Y. **Underwriter**—Albion Securities Co., 11 Broadway, New York 4, N. Y.

**Hemisphere Gas & Oil Corp.**
April 27 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil and gas properties. **Office**—702 American Bank Building, Portland 5, Ore. **Underwriter**—D. Earle Hensley Co., Inc., 4444 California Avenue Seattle, Wash.

**Hickerson Bros. Truck Co., Inc.**
March 11 (letter of notification) 285,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay existing liabilities; for additional equipment; and for working capital. **Office**—East Tenth Street, P. O Box 68, Great Bend, Kan. **Underwriter**—Birkenmayer & Co., Denver, Colo.

**Hickok Electrical Instrument Co. (10/12-16)**
Sept. 9 filed $500,000 of convertible subordinated debentures, due 1974, together with 100,000 shares of class A common capital stock, of which 90,000 shares are to be publicly offered, and 10,000 shares offered to employees. (Any unsubscribed shares will be offered to public.) **Price**—For the debentures; at 100% of principal amount. For the stock; to be supplied by amendment. **Proceeds**—For retirement of bank loans, for the construction of laboratories, and for working capital. **Office**—Cleveland, Ohio. **Underwriter**—Hayden, Miller & Co., Cleveland, Ohio.

**Hooker Chemical Corp.**
Aug. 21 filed $24,444,900 of 5% convertible subordinated debentures, due Sept. 15, 1984, being offered for subscription by common stockholders of record Sept. 15 1959, on the basis of $100 principal amount of debentures for each 30 shares of common stock held; rights will expire Sept. 30, 1959. **Price**—100% of principal amount. **Proceeds** — For capital expenditures. **Office** — Niagara Falls, N. Y. **Underwriter**—Smith, Barney & Co., N. Y.

**Hotel Corp. of Israel**
July 13 filed 39,000 shares of common stock (par $5) and $1,560,000 of 6% subordinated debentures, due Aug 1, 1974. **Price**—$1,500 per unit, consisting of 30 common shares at $10 per share and $1,200 of debentures at par **Proceeds**—To purchase, complete, and furnish various properties and for general corporate purposes. **Office**—11 South La Salle St., Chicago, Ill. **Underwriter**—None

**Hycon Manufacturing Co.**
Aug. 28 filed 126,316 shares of common stock, which were issued to Avco Corp. on Dec. 8, 1958, at $2.375 per shares, and which will now be publicly offered by Avco. **Price**—To be related to the prices prevailing in the over-the-counter market at the time, or times, the stock is sold. **Office**—1030 South Arroyo Parkway, Pasadena, Calif. **Underwriters**—The offering will be made through registered brokers and dealers who are NASD members.

**★ Hyde Finance Co.**
Sept. 15 (letter of notification) 45,750 shares of common stock. **Price**—At par ($5.50 per share). **Proceeds**—For working capital. **Office** — 45 Broad St., Boston, Mass. **Underwriter**—None.

**I C Inc.**
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver Colo.

**● Ideal Cement Co.**
July 31 filed 675,000 shares of capital stock. These shares are being exchanged for all (but not less than 80%) of the common stock (par $1) of the Volunteer Portland Cement Co., in the ratio of 3⅜ shares of Ideal stock for each share of Volunteer stock. The exchange period will expire Oct. 2, 1959, unless extended by Ideal. No extension, however, will be made beyond Dec. 1, 1959, unless 80% or more of the outstanding shares of the common stock of Volunteer are tendered on or before said date. If 80% or more of such common stock has been so tendered Ideal, at its discretion, may continue its exchange. **Office**—500 Denver National Bank Building, 821 17th Street, Denver, Colo. Statement effective Sept. 1.

**Industrial Leasing Corp.**
June 1 (letter of notification) $200,000 subordinated convertible 6% debentures ($1,000 denomination) and $50,000 subordinated convertible 6% debentures ($500 denomination). **Price**—100% of principal amount. **Proceeds**—For working capital. **Office**—522 S. W. 5th Avenue, Portland 4, Ore. **Underwriter**—May & Co., Portland, Ore.

**Industrial Vinyls, Inc.**
Aug. 20 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For the purchase of machinery and equipment to expand the company's facilities for handling thermoplastics, to reduce current bank borrowings, and for general corporate purposes including the addition of working capital. **Office**—5511 N. W. 37th Ave., Miami, Fla. **Underwriters** — The Robinson-Humphrey Co., Inc., Atlanta, Ga., and Clisby & Co., Macon, Ga.

**★ Insul-Cup Corp. of America**
Sept. 18 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—1938 Park Avenue, New York City, N. Y. **Underwriter**—The James Co., 12 E. 41st Street, New York. **Offering**—Expected in November.

**★ Insurance and Bank Stock Fund, Inc.**
Sept. 22 filed 10,000,000 shares of common stock. **Office**—Little Rock, Ark. **Underwriter** — Investment Fund Management Corp., 800 W. Third St., Little Rock, Ark.

**Inter-Island Resorts, Ltd.**
Sept. 10 filed 99,000 shares of common stock (par $3) to be offered first to stockholders on the basis of one new share for each four shares held of record Oct. 10, 1959; rights to expire on Nov. 30. **Price**—To be supplied by amendment. **Proceeds**—For construction of a new hotel at Kalapaki Bay, on the Island of Kauai. **Office**—305 Royal Hawaiian Avenue, Honolulu, Hawaii. **Underwriter**—None.

**International Bank, Washington, D. C.**
Dec. 29 filed $5,000,000 of notes (series B, $500,000, two-year, 3% per unit; series C, $1,000,000, four-year 4% per unit, and series D, $3,500,000, 6-year, 5% per unit). **Price**—100% of principal amount. **Proceeds** — For working capital. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Offering**—Indefinitely postponed.

**International Tuna Corp.**
April 3 (letter of notification) 175,000 shares of class A common stock (par 50 cents). **Price** — $1 per share. **Proceeds**—For equipment and working capital. **Office**—Pascagoula, Miss. **Underwriter**—Gates, Carter & Co., Gulfport, Miss.

**★ Interstate Fire & Casualty Co.**
Sept. 17 filed 85,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office** — 501 Livingston Bldg., Bloomington, Ill. **Underwriter**—White, Weld & Co., Inc., New York. **Offering**—Expected during the latter part of October.

**Investment Trust for the Federal Bar Bldg.**
Aug. 14 filed 500 Beneficial Trust Certificates in the Trust. **Price**—$2,600 per certificate. **Proceeds**—To supply the cash necessary to purchase the land at 1809-15 H St., N. W., Washington, D. C., and construct an office building thereon. **Office**—Washington, D. C. **Underwriters**—Hodgdon & Co. and Investors Service, Inc., both of Washington, D. C., and Swesnick & Blum Securities Corp.

**Irando Oil & Exploration, Ltd.**
April 24 filed 225,000 shares of common stock. **Price**—90 cents per share. **Proceeds**—To defray the costs of exploration and development of properties and for the acquisition of other properties; also for other corporate purposes. **Office**—1950 Broad St., Regina, Sask., Can. **Underwriter** — Laird & Rumball, Regina, Sask., Can.

**★ Israel Development Corp.**
Sept. 22 filed 200,000 shares of common stock. **Price**—$27.50 per share, payable in cash or State of Israel Independence Issue or Development Issue bonds. **Proceeds**—For general corporate purposes. **Office** — New York City. **Underwriter**—None.

**ITI Electronics, Inc.**
Sept. 4 (letter of notification) 125,000 shares of common stock (par five cents). **Price**—$2 per share. **Proceeds**—For development of power megaphones and closed circuit television. **Office**—369 Lexington Ave., Clifton, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y.

**Jamaica Development Co., Inc.**
June 15 filed 105,000 shares of common stock (par $1), being offered to stockholders of record Aug. 20, 1959 on a basis of 2½ new shares for each share held; rights to expire on Sept. 20, 1959, unsubscribed shares to public. **Price**—$10 per share. **Proceeds**—To be used for the purchase of land, cattle, machinery and equipment, fishing lodge, and development expense. **Office** — 1841 North Meridian St., Indianapolis, Ind. **Underwriter**—None. Statement effective Aug. 31.

**Jostens, Inc. (9/28-10/2)**
Aug. 31 filed 290,035 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is principally engaged in sale and manufacture of class rings, graduation announcements, yearbooks and diplomas. **Underwriter**—A. G. Becker & Co., New York, and Chicago.

**Kentucky Central Life & Accident Insurance Co.**
Aug. 28 filed 81,717 shares of common stock, of which Kentucky Finance Co., Inc. will offer its stockholders 51,000 shares. **Price**—Of 30,717 shares, $115 each; and of 51,000 shares, $116 each. **Proceeds**—To selling stockholders. **Office**—Anchorage, Ky. **Underwriter**—None.

**Kilroy (W. S.) 1960 Co.**
June 8 filed $3,500,000 of Participating Interests under Participant Agreements in the company's 1960 Oil and Gas Exploration Program, to be offered in amounts of $25,000 or more. **Proceeds**—Acquisition of undeveloped oil and gas properties. **Office**—2306 Bank of the Southwest Bldg., Houston Texas. **Underwriter**—None.

**Kittanning Telephone Co., Kittanning, Pa.**
Aug. 24 filed 14,000 shares of common stock, to be offered by subscription to holders of outstanding common stock on the basis of approximately 0.212 new shares for each share held. **Price**—$25 per share. **Proceeds**—In part to repay a bank loan in the amount of $450,000 representing funds acquired for general modernization, improvement, and expansion. **Underwriter**—None.

**★ Knox Glass, Inc.**
Sept. 23 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with funds to be received from a $2,000,000 bank loan and a $6,000,000 long-term loan from an institutional investor, will be applied in part to repaymet of all of the company's outstanding indebtedness, and the balance of the proceeds will be used to provide machinery, equipment and working capital for a proposed new plant in the southeastern part of the United States, and for general corporate purposes. **Underwriter**—Smith, Barney & Co., New York.

**● Lee National Life Insurance Co.**
June 11 filed 200,000 shares of common stock (par 50¢) being offered for subscription by holders of outstanding stock on the basis of one new share for each share held as of Sept. 1, 1959; rights to expire on Sept. 30, 1959. **Price**—$5 per share to stockholders; $6 per share to the

public. **Proceeds**—To increase capital and surplus. **Office** 1706 Centenary Boulevard, Shreveport, La. **Underwriter** —None. Statement effective Sept. 1.

**Lee Telephone Co.**
Sept. 8 (letter of notification) 20,888 shares of common stock (par $10) to be offered to stockholders of record Sept. 19, 1959 on the basis of one new share for each 9¼ shares then held; rights to expire in 15 days. **Price**—$14 per share. **Proceeds**—To be used to curtail short-term bank loans. **Office**—127 E. Church St., Martinsville, Va. **Underwriter**—None.

**Lenahan Aluminum Window Corp.**
July 28 filed 157,494 shares of common stock, to be offered initially to stockholders on the basis of one new share for each two shares owned (with a 15-day standby). **Price** — $4 per share to stockholders; $5 to public. **Proceeds**—For inventory and for working capital. **Office**—Jacksonville, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami, Fla.

**Lenkurt Electric Co.**
Aug. 31 filed 10,000 outstanding shares of class B common stock. **Price**—$83.31 per share. **Proceeds**—To selling stockholder. **Office** — 1105 County Road, San Carlos, Calif. **Underwriter**—None.

**Lester Engineering Co.**
Sept. 2 (letter of notification) $300,000 of 6% convertible subordinated debentures due Sept. 15, 1976 to be offered for subscription by common stockholders on the basis of $50 of debentures for each 30 shares held. Debentures are convertible into common stock at $10 per share. **Price**—At face amount. **Proceeds**—With a long-term loan, for purchase of leased property and plant expansion. **Office**—2711 Church Avenue, Cleveland, Ohio. **Underwriter**—First Cleveland Corp., Cleveland, Ohio.

**● MCA, Inc. (10/5-9)**
Sept. 8 filed 400,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank indebtedness and for working capital. **Business**—Engaged in the production and distribution of filmed series for television, etc. **Underwriter**—Lehman Brothers, New York.

**M. & S. Oils Ltd.**
May 11 filed 390,000 shares of common stock. **Price**—60 cents per share. **Proceeds** — For exploration, development and acquisitions. **Office**—5 Cobbold Block, Saskatoon, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., Regina, Saskatchewan, Canada.

**Mack Trucks, Inc.**
Sept. 15 filed 111,740 shares of 5¼% cumulative preferred stock ($50 par), with attached warrants (1959 issue), to purchase 55,870 shares of common stock. **Office** —Plainsfield, N. J.

**Madison Gas & Electric Co.**
Sept. 15 filed 82,000 shares of common stock, to be offered for subscription by the holders of outstanding common stock on the basis of one new share for each five shares held as of the record date. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office**—Madison, Wis. **Underwriter**—None.

**● Magnuson Properties, Inc.**
June 29 filed 500,000 shares of class A common stock (amended on Aug. 24 to 150,000 shares of 6½% cumulative convertible preferred stock, par $10), and 150,000 shares of class A common stock, par $1, with common stock purchase warrants. Each share of class A common stock carries one warrant entitling the registered holder to purchase one share of such common stock at an initial price of $11 per share. **Price**—For preferred, at par; and for class A, $10.10 per share. **Proceeds**—$291,099 is to be expended during the period ending Aug. 31, 1960 for mortgage payments and releases; $465,000 will be paid on notes acquired by members of the Magnuson family in the transfers of subsidiaries and properties to the company; $106,000 will be used to close certain options and purchase contracts covering lands in the Melbourne-Cape Canaveral area; the balance will be added to the general funds of the company and used for general corporate purposes. **Office**—20 S. E. 3rd Ave., Miami, Fla. **Underwriter**—Blair & Co. Inc., New York. **Offering** —Expected this Fall.

**● Manpower, Inc., Milwaukee, Wis. (9/28)**
Sept. 2 filed 150,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Business**—Provides temporary help services for a comprehensive range of business requirements. **Office**—820 North Plankington Ave., Milwaukee, Wis. **Underwriter**—Smith, Barney & Co., New York.

**● Matronics, Inc. (9/28-10/2)**
June 29 filed 200,000 shares of capital stock (par 10¢). **Price**—$3.75 per share. **Proceeds**—For sales promotion, production test equipment, research and development, demonstrators for special systems, receivables, inventories, prepayment of notes and other purposes. **Office** —558 Main St., Westbury, L. I., N. Y. **Underwriters**—Vermilye Brothers; Kerbs, Haney & Co.; Mid-Town Securities Corp.; and Cortland Investing Corp., all of New York.

**Mercantile Credit Corp.**
Sept. 1 (letter of notification) 75,000 shares of common stock (par value 10 cents) and $100,000 of 6% five-year convertible debentures in denominations of $100, $500 and $1,000 each. **Price**—For the common stock, $2 per share. **Proceeds** — For working capital. **Office** — 940 Riato Bldg., Kansas City, Mo. **Underwriter**—McDonald Evans & Co., Kansas City, Mo.

**Metallurgical Processing Corp., Westbury, N. Y.**
Aug. 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire debts; to acquire new equipment for processing metals and to expand its overall capacity; to move its facilities and new equipment into a new building and for further development and expansion. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

**Microwave Electronics Corp.**
July 2 filed $500,000 of 10-year 5% subordinated debentures due July 1, 1969 together with 250,000 shares of common stock (par 10 cents) to be offered in units of $10,000 principal amount of debentures and 5,000 common shares. An additional 138,000 shares may be issued in connection with the company's restricted stock option plan. **Price**—$10,500 per unit. **Proceeds**—To purchase machinery, equipment and other fixed assets, for operating expenses, and the remainder for working capital. **Office**—4061 Transport St., Palo Alto, Calif. **Underwriter** —None. **Financial Adviser**—Hill, Richards & Co., Inc., Los Angeles, Calif.

**Mid-America Minerals, Inc.**
June 22 filed $921,852 of Working Interests and Overriding Royalty Interests in 26 oil and gas leases covering lands in Green and Taylor Counties, Kentucky, some of the interest being producing interests and some non-producing. The offering is to be made initially to participants in the Mid-America Minerals, Inc., 1959 Fund. **Price**—$2,221.33 per smallest unit. **Proceeds**—For investment in oil and gas lands. **Office**—Mid-America Bank Bldg., Oklahoma City, Okla. **Underwriter**—None.

**Mid-America Minerals, Inc.**
Sept. 11 filed $1,875,000 of Participations in Oil and Gas Fund. **Price**—150 units will be offered at $10,000 each, and 150 units will be offered at $2,500 each. **Proceeds**—To facilitate the completion of oil and gas wells. **Office** — 500 Mid-America Bank Building, Oklahoma City, Okla. **Underwriters**—The offering will be made on a "best efforts" basis by the issuing company and Midamco, Inc., its subsidiary.

**● Missile Systems Corp. (10/5-9)**
Aug. 28 (letter of notification) 63,000 shares of common stock (par 10 cents). **Price**—$4.75 per share. **Proceeds** To repay short-term bank notes; to purchase equipment and for working capital. **Office** — 11949 Vose Street, North Hollywood, Calif. **Underwriters**—J. A. Hogle & Co., New York, N. Y. and Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

**Mobile Credit Corp.**
June 8 filed 15,000 shares of common stock to be offered for sale in Michigan and Pennsylvania. **Price**—$10 per share. **Proceeds**—To provide additional working capital for the purchase of vendors' interests in conditional sales contracts and other like evidences of indebtedness. **Office**—11746 Appleton Avenue, Detroit, Mich. **Underwriter**—None. Statement effective Aug. 3.

**★ Montesano Development Corp., Montesano, Wash.**
Sept. 6 (letter of notification) 7,966 shares of common stock. **Price**—At par ($25 per share). **Proceeds**—To purchase real property and for development of said property. **Underwriter**—None.

**N. A. Building Associates (9/28-10/2)**
Sept. 4 filed $2,120,000 of Participations in Partnership Interests in Associates. **Price**—$10,000 per unit. **Proceeds** —To supply the cash and incidental expenses necessary to the purchase of the National Association Building, 25 West 43rd St., New York. **Office**—60 East 42nd St., New York. **Underwriter**—None.

**● Narda Microwave Corp. (10/5-9)**
June 16 filed 50,000 shares of common stock (par 10 cents) and 50,000 warrants to be offered in units, consisting of one share of common stock with attached warrant entitling the holder to purchase one additional share. The statement also includes an additional 10,000 shares of common stock reserved for issuance to key employees pursuant to options. **Price**—To be supplied by amendment. **Proceeds** — To be used to retire bank loans. **Underwriter**—Milton D. Blauner & Co., Inc., New York.

**● National Co., Inc. (9/30)**
Aug. 28 filed 200,000 shares of common stock (par $1) of which 150,000 shares are to be offered for the account of the company and 50,000 shares for the account of the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the retirement of a bank loan in the amount of $675,000, which was incurred to retire certain 5% convertible debentures. **Office** — 61 Sherman St., Malden, Mass. **Underwriter**—White, Weld & Co., New York.

**National Citrus Corp.**
April 20 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For new equipment, inventory and working capital. **Address**—P. O. Box 1658, Lakeland, Fla. **Underwriter**—R. F. Campeau Co., Inc., Detroit, Mich. **Offering**—Expected in September. Statement to be amended.

**● National Cleveland Corp., Cleveland, O. (9/29)**
Aug. 18 filed $600,000 of convertible subordinated debentures, due Sept. 1, 1971. **Price**—To be supplied by amendment. **Proceeds**—To be used to retire short-term bank loans and for additional working capital. **Underwriters**—Loewi & Co. Inc., Milwaukee, Wis., and Merrill, Turben & Co., Inc., Cleveland, Ohio. **Offering**—Expected this week.

**National Industrial Minerals Ltd.**
Aug. 4 filed 150,000 shares of common stock (no par). **Price** — $1 per share. **Proceeds** — To retire indebtedness for construction of plant and for other liabilities, and the remainder will be used for operating capital. **Office** — Regina, Saskatchewan, Canada. **Underwriter**—Laird & Rumball Ltd., Regina, Saskatchewan, Canada.

**★ National Key Co., Cleveland, Ohio**
Sept. 17 filed 200,000 shares of class A common stock (par 50 cents) of which 75,000 shares are to be sold for the account of the issuing company and 125,000 shares for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase from Grant Ave. Realty Corp., at seller's cost, about 6.25 acres of Cleveland land, on which a building is being constructed which will house the issuing company's executive offices and Cleveland operations. **Underwriter**—C. E. Unterberg, Towbin Co., New York.

**National Life & Casualty Insurance Co.**
March 25 filed 250,000 shares of common capital stock to be offered to holders of certain of company's life insurance policies issued on or prior to Dec. 31, 1955, and to certain employees. **Price**—$4.44 per share. **Proceeds** — To increase capital and surplus. **Office** — 2309 North Central Avenue, Phoenix, Ariz. **Underwriter**—None.

**Nationwide Auto Leasing System, Inc.**
July 16 (letter of notification) 142,500 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For financing of leased cars and for general corporate purposes. **Underwriter**—Investment Bankers of America, Inc., Washington, D. C.

**● Navco Electronic Industries, Inc.**
Aug. 18 (letter of notification) 142,800 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase a plant, equipment, material, inventory and for working capital. **Office**—1211 4th St., Santa Monica, Calif. **Underwriter**—Aetna Securities Corp., New York, N. Y. **Offering**—Expected today (Sept. 24).

**Nedow Oil Tool Co.**
May 5 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—To acquire fishing tools for leasing; and for working capital. **Address**—P. O. Box 672, Odessa, Texas. **Underwriters**—To be designated.

**● New West Amulet Mines, Ltd.**
July 30 filed 200,000 shares of outstanding capital stock (par $1). **Price**—To be related to the current market price on the Canadian Stock Exchange at the time of the offering. Closing price Sept. 4 was 85 cents. **Proceeds**—To selling stockholder. **Office**—244 Bay Street, Toronto, Canada. **Underwriter**—Willis E. Burnside & Co., Inc., New York. Statement withdrawn on Sept. 14.

**Nielsen-Tupper Instruments, Inc.**
Aug. 19 (letter of notification) 29,399 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds** —To purchase machines, tools, office equipment, furniture, drafting and printing equipment and for working capital. **Office** — 1411 Fourth Ave., Seattle 1, Wash. **Underwriter**—Crawford Goodwin Co., Seattle, Wash.

**● Nord Photocopy & Business Equipment Corp.**
July 21 filed 100,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To reduce bank debts and for general corporate purposes. **Office**—New Hyde Park, L. I., New York. **Underwriter**—Myron A. Lomasney & Co., New York. **Offering** — Expected this week.

**● North American Cigarette Manufacturers, Inc.**
July 29 filed 150,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** —For working capital, advertising and sales expenses, and additional machinery. **Office**—521 Park Avenue, New York. **Underwriter**—American Diversified Mutual Securities Co., Washington, D. C. Statement withdrawn on Sept. 17.

**North Carolina Telephone Co.**
Sept. 4 filed 576,405 shares of common capital stock, to be offered for subscription by holders of outstanding stock in the ratio of two new shares for each five shares held. **Price**—$2 per share. **Proceeds**—To reduce indebtedness with the balance, if any, to be used as working capital. **Office**—Matthews, N. C. **Underwriter**—One or more security dealers will be offered any shares not subscribed for at $2 per share.

**Northern Insurance Co. of New York**
Sept. 10 filed 56,000 shares of capital stock (par $12.50), to be offered in exchange for shares of the capital stock of Maine Bonding & Casualty Co. at the rate of 56/100ths of a share of Northern for each share of capital stock (par $10) of Maine. The exchange offer will expire at the close of business on Dec. 31, 1959, provided that at least 80,000 shares of Maine stock have been tendered for exchange prior to the close of business Nov. 9, 1959. In the event less than 80,000 shares of Maine stock are tendered prior to the close of business Nov. 9, 1959, no shares will be exchanged and all shares of Maine stock will be returned to the tendering stockholders. **Office**—83 Maiden Lane, New York 38, N. Y.

**★ Northern Natural Gas Co. (10/15)**
Sept. 18 filed 200,000 shares of cumulative preferred stock ($100 par). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the providing of funds for the company's 1959 construction program, the repayment of a portion of the bank loans incurred therefor, and the purchase of securities to be issued by subsidiary companies for the costs of their construction. **Office**—2223 Dodge St., Omaha, Neb. **Underwrtier**—Blyth & Co., Inc., New York.

**Northern Properties, Inc.**
Sept. 8 filed 150,000 shares of common stock (par $2.50). **Price**—$5 per share. **Proceeds**—To acquire and develop various properties in New York State. **Office**—Hartsdale, N. Y. **Underwriter**—Alkow & Co., Inc., New York. **Offering**—Expected in late October or early November.

**Oak Valley Sewerage Co.**
June 30 (letter of notification) $145,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds** —To repay to Oak Valley, Inc. a portion of the cost of construction of sewerage collection and disposal system

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and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter**—Bache & Co., Philadelphia, Pa.

**Oak Valley Water Co.**
June 30 (letter of notification) $125,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds**—To repay Oak Valley, Inc. a portion of the cost of construction of the water supply and distribution system; to pay the cost of a new 12 inch well to increase the company's supply of water; and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter** — Bache & Co., Philadelphia, Pa.

**Oil, Gas & Minerals, Inc.**
April 2 filed 260,000 shares of common stock (par 35 cents). **Price**—$2 per share. **Proceeds**—To retire bank loans and for investment purposes. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter** — Assets Investment Co., Inc., New Orleans, La. The SEC has scheduled a hearing, to begin on Sept. 2, to determine whether a stop order should be issued suspending the offering.

**★ Oil Recovery Corp. (10/13)**
Sept. 15 filed $550,000 of 6% convertible subordinated debentures, due 1974, and 5,500 shares of common stock, to be offered in units of $500 of debentures and 5 shares of stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including the acquisition and development of properties for secondary oil recovery purposes. **Office**—405 Lexington Ave., New York City. **Underwriter**—Lehman Brothers, New York.

**Oreclone Concentrating Corp., New York, N. Y.**
May 20 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For repayment of outstanding obligations and for working capital. **Underwriter**—Investment Bankers of America, Inc., Washington, D. C. **Offering**—Expected any day.

**Pan-Alaska Corp.**
Aug. 7 filed 2,612,480 shares of common capital stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company will, in turn, offer its stockholders rights to purchase two shares of Pan-Alaska common, at 20 cents a share, for each share of Marine Drilling stock. Marine Drilling also plans to sell 250,000 shares of the 680,000 shares of Pan-Alaska it now owns. **Underwriter**—Any stock not subscribed for by holders of Marine Drilling will be publicly offered by Crerie Co., Houston, Texas and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn., at a price of 20 cents a share.

**● Pantasote Co. (10/12-16)**
Aug. 28 filed $2,700,000 of 6% subordinated sinking fund debentures, due Oct. 1, 1974 (with warrants attached entitling the holder to purchase 50 shares of common stock of the issuing company for each $500 of debentures). **Price** — 100% and accrued interest. **Proceeds** — For construction, equipping, and placing in operation of a new plant, with the balance to be used for general corporate purposes. **Office**—26 Jefferson St., Passaic, N. J. **Underwriter**—Blair & Co. Inc., New York.

**Participating Annuity Life Insurance Co.**
June 4 filed $2,000,000 of variable annuity policies. **Proceeds** — For investment. **Office** — Hathcock Building, Fayetteville, Ark. **Underwriter**—None.

**★ Pathe News, Inc.**
Sept. 17 filed 400,000 shares of common stock (par 10 cents) with warrants to purchase an additional 100,000 common shares at $3.25 per share. **Price** — $3.75 per share, with warrants. **Proceeds**—For general corporate purposes, including the addition of working capital, the reduction of indebtedness, and the provision of the $173,000 cash required upon the exercise of an option to purchase the building at 245-249 W. 55th St., New York. **Office**—245 W. 55th St., New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., New York. **Offering**—Expected in about 30 days.

**Peckman Plan Fund, Inc., Pasadena, Calif.**
May 19 filed 20,000 shares of common stock (par $1) **Price**—At market. **Proceeds**—For investment. **Underwriter**—Investors Investments Corp., Pasadena, Calif.

**● Perfect Photo, Inc. (10/5-9)**
Sept. 14 filed 150,000 shares of common stock (par 20 cents) of which 60,000 shares are to be offered for the account of the company and 90,000 shares for the account of Karl Hope, President. **Price** — To be supplied by amendment. **Proceeds**—For working capital and the construction or acquisition of additional film processing and printing facilities. **Office**—4747 North Broad St., Philadelphia, Pa. **Underwriter**—Drexel & Co., Philadelphia.

**★ Philadelphia Electric Co. (10/14)**
Sept. 17 filed $50,000,000 of first and refunding mortgage bonds, series due Oct. 1, 1989. **Proceeds**—For expansion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly); The First Boston Corp. and Harriman Ripley & Co. (jointly). **Bids**—Expected to be received on Oct. 14.

**★ Photo-Market Corp.**
Sept. 14 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Proceeds**—For acquisition of a coating plant, establishment of eight new branch offices; moving to larger quarters and further research. **Office**—185 St. Paul Street, West, Montreal, Quebec, Canada. **Underwriters** — Marron, Edens, Sloss & Co., Inc., New York, N. Y., and First Albany Corp., Albany, N. Y.

**★ Pik-Quik, Inc.**
Sept. 17 filed 500,000 shares of common stock. **Price**—$3.50 per share. **Proceeds**—To place in operation fifteen food markets in Florida. **Office** — Baker Bldg., Minneapolis, Minn. **Underwriter**—Craig-Hallum, Inc., Minneapolis, Minn.

**★ Pilgrim National Life Insurance Co. of America**
Sept. 17 filed 100,000 shares of common stock, of which 55,000 shares are to be offered first to stockholders of record Aug. 31, 1959, and 45,000 shares (minimum) are to be offered to the public, which will also be offered any shares unsubscribed for by said stockholders. **Price**—$5 per share. **Proceeds**—For general corporate purposes, possibly including the enabling of the issuing company to make application for licenses to conduct its insurance business in States other than Illinois, the sole State in which it is presently licensed. **Office**—222 W. Adams St., Chicago, Ill. **Underwriter**—None.

**Planholders Institute, Inc.**
Sept. 11 filed $2,000,000 of Selected Plans. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. C. **Underwriter**—The issuing company will serve as underwriter.

**● Porce-Alume, Inc. (10/5-9)**
Aug. 3 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For expansion. **Office**—Alliance, Ohio. **Underwriter**—Pearson, Murphy & Co., Inc., New York.

**● Powell River Co., Ltd.**
Aug. 20 filed 4,500,000 ordinary shares (no par) to be offered, following a two-for-one stock split in September to holders of record of, and in exchange for outstanding class A and class B shares of MacMillan & Bloedel, Ltd., on the basis of seven shares of Powell River stock for three shares of MacMillan & Bloedel stock, whether class A or class B. Thereafter, the name of the issuing company would be changed to MacMillan, Bloedel & Powell River, Ltd. **Office** — 1204 Standard Bldg., Vancouver, B. C., Canada. **Dealer-Managers**—White, Weld & Co., Wood, Gundy & Co., Inc., and Greenshields & Co., all of New York; and Wood, Gundy & Co., Ltd., and Greenshields & Co., Inc., of Canada. **Offering**—Expected within 30 days.

**Producers Fire & Casualty Co., Mesa, Ariz.**
March 31 filed 400,000 shares of common stock to be offered for subscription by holders of stock purchase rights acquired in connection with life insurance policies issued by Dependable Life Insurance Co. and to certain agents and brokers of Producers Fire & Casualty Co. **Price**—$5 per share. **Proceeds**—For working capital. **Underwriter**—None.

**★ Puget Sound Power & Light Co. (10/28)**
Sept. 21 filed $20,000,000 of first mortgage bonds, series due Nov. 1, 1989. **Proceeds**—To repay outstanding bank loans, due Jan. 1, 1960, incurred to finance construction, which bank loans are expected to aggregate about $23,000,000 at the time of such sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Lehman Bros. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Stone & Webster Securities Corp.; The First Boston Corp. and Smith, Barney & Co. (jointly). **Bids**—Expected to be received up to noon (EST) on Oct. 28.

**Rad-O-Lite, Inc. (9/28-10/2)**
July 8 filed 300,000 shares of common stock (par 25¢). **Price** — $1.50 per share. **Proceeds** — For general corporate purposes. **Office**—1202 Myrtle St., Erie, Pa. **Underwriter**—John G. Cravin & Co., New York.

**● Radiant Lamp & Electronics Corp.**
Sept. 4 filed $250,000 of 6% ten-year subordinated convertible sinking fund debentures, series II, due Oct. 15, 1969, and 120,000 shares of class A stock (par 10 cents). **Price** — For debentures, 100% of principal amount; for stock, $5 per share. **Proceeds**—To acquire Radiant Lamp Corp., of Newark, N. J., with the balance to be used as working capital. **Office**—40 Washington Place, Kearney, N. J. **Underwriter**—Amos Treat & Co., Inc., New York. **Offering**—Expected in October.

**● Radiation Dynamics, Inc., Westbury, N. Y.**
Sept. 8 filed 25,000 shares of common stock. The company proposes to offer to its stockholders the right to subscribe to 11,325 shares at $10 per share, with warrants to purchase an equal number of common shares at $12.50 per share, on the basis of one new share for each four shares held. Hayden Stone & Co. has agreed to purchase 2,500 shares for its own account and to use its best efforts to place 11,175 shares with certain selected investors at $10 per share, with warrants to purchase an equal number of shares at $12.50 per share. **Proceeds**—For working capital. **Office**—1800 Shames Drive, Westbury, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York.

**Radio City Products Co., Inc.**
Aug. 17 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery and electronic test equipment, environmental testing equipment, placing accounts payable on discount basis, retiring trade notes, retiring loans outstanding, research and development and for working capital. **Office** — Centre & Glendale Sts., Easton, Pa. **Underwriter**—None.

**● Radio Frequency Company, Inc. (9/28-10/2)**
Aug. 12 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — Medfield, Mass. **Underwriter**—Myron A. Lomasney & Co., New York.

**● Random House, Inc. (9/28-10/2)**
Aug. 27 filed 222,060 outstanding shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 457 Madison Ave., New York. **Underwriter**—Allen & Co., New York.

**Raub Electronics Research Corp.**
July 15 filed 165,000 shares of common stock (par $1), subsequently reduced by amendment to 115,500 shares, of which 100,000 shares will be offered to the public. **Price**—$8.50 per share. **Proceeds**—For general corporate purposes. **Office**—1029 Vermont Avenue, N. W., Washington, D. C. **Underwriter**—Weil & Co., Washington, D. C.

**● Raymond Service, Inc. (10/7)**
Sept. 3 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For machinery and equipment; retiring current indebtedness; a sales development program and working capital. **Office**—36-40 37th Street, Long Island City, L. I., N. Y. **Underwriter**—The James Co., New York, N. Y.

**● Realsite, Inc.**
July 28 filed 200,000 shares of class A stock. **Priced**— $3 per share. **Proceeds**—To pay off mortgages and for working capital. **Office**—Jamaica, L. I., N. Y. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. **Offering**—Expected in about three weeks.

**Republic Resources & Development Corp.**
June 29 filed 1,250,000 unit shares of capital stock. **Price**—$2 per unit of 200 shares. **Proceeds**—To be used in the company's oil exploration program for the purchase of oil exploration and drilling equipment, supplies and materials; to contract with U. S. geophysical contractors for technical services; and to pay its pro rata shares of the dollar exploration expenses under its agreement with three other companies for joint exploration of concessions held in the Philippines. **Office**—410 Rosario St., Binondo, Manila, Philippines. **Underwriter** — John G. Cravin & Co., Inc., New York. **Offering**—Expected in September.

**★ Reserve Realty Co.**
Sept. 17 (letter of notification) $200,000 of 6% 10-year subordinated debentures dated Dec. 1, 1959, due Nov. 30, 1969 to be offered in denominations of $100 each. **Price**—At par. **Proceeds** — To purchase a warehouse and physical plant, including land, from Supply Co., La Crosse, Wis. **Office**—2750 Ellis Avenue, St. Paul 14, Minn. **Underwriter**—None.

**Ritter (P. J.) Co., Bridgeton, N. J.**
June 18 filed 4,827 shares of preferred stock, non-cumulative, voting, (par $100) and 60,018 shares of common stock (no par) to be offered to the holders of preferred and common stock of Brooks Foods, Inc., at the rate of one share of Ritter preferred stock for each share of preferred stock of Brooks and two shares of common stock of Ritter for each share of common stock of Brooks. The exchange offer is being made by Ritter in accordance with its agreement with Brooks and certain of its stockholders who own an aggregate of 18,805 shares of its outstanding common stock, or approximately 62.5% of such stock, and who have agreed to accept the exchange offer upon effectiveness of the registration statement.

**Rondout Corp.**
Sept. 4 filed 155,000 shares of common stock, of which 140,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—To buy the capital stock of Rondout Paper Mills, Inc., and to purchase notes of said company, currently held by Arrowsmith Paper Corp., with the balance to be used for general corporate purposes, including working capital. **Office**—785 Park Ave., New York, the address of the corporation as given in the registration statement, is the home address of Leif B. Norstrand, President of the issuing company. Pursuant to the contemplated merger of Rondout Paper Mills, Inc. into Rondout Corp., as the surviving company, will conduct its business from 41 E. 42nd St., New York, the present office of Rondout Paper Mills, Inc. **Underwriters** — Sandkuhl & Co., Inc., Newark, N. J.; and S. B. Cantor Co., New York. **Offering**—Expected sometime in October.

**● Roto-American Corp. (10/12-16)**
Aug. 28 (letter of notification) 80,000 shares of common stock. **Price**—$3.75 per share. **Proceeds**—To redeem preferred and common stock outstanding held by Roto Bag, a wholly-owned subsidiary; for the purchase of new tooling to expand production; for working capital and general corporate purposes. **Office**—93 Worth St., New York, N. Y. **Underwriter**—Morris Cohon & Co., New York, N. Y.

**Roulette Records, Inc.**
Aug. 27 filed 330,000 shares of common stock (one cent), of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including moving to new quarters and installing executive offices and sound studio facilities therein, acquiring technical equipment and machinery, and adding to working capital. **Office** — 659 10th Avenue, New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., 580 Fifth Avenue, New York. **Offering**—Expected in three or four weeks.

**St. Regis Paper Co.**
June 26 filed 30,000 shares of common stock (par $5). The company proposes to offer this stock in exchange for outstanding shares of common stock of Lone Star Bag and Bagging Co. on the basis of 0.6782 of a share of St. Regis common for each share of Lone Star common. St. Regis will declare the exchange offer effective if 95% of the outstanding shares of Lone Star common are deposited for exchange, and may elect to do so if a lesser percent, but not less than 80%, of all the Lone Star common will enable it to control the business operations and policies of Lone Star.

**St. Regis Paper Co.**
Aug. 12 filed 453,731 shares of common stock, to be offered in exchange for the outstanding shares of the capital stock of the Cornell Paperboard Products Co. on the basis of .68 of a share of St. Regis common for each share of Cornell capital stock. The offer will be declared

effective if 90% of the outstanding shares of the Cornell stock are deposited for exchange, and may be declared effective if 80% of said shares are so deposited. **Office**—150 E. 42nd Street, New York.

● **Samson Convertible Securities Fund, Inc.**
July 15 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—23 Hazelton Circle, Briarcliff Manor, N. Y. **General Distributor**—Samson Associates, Inc. **Offering**—Expected in late October.

★ **Sandkay Contractors, Inc.**
Sept. 14 (letter of notification) 5,000 shares of common stock (par $10). **Price**—$20 per share. **Proceeds**—For working capital. **Office**—103 12th St., S. W., Ephrata, Wash. **Underwriter**—None.

● **Seagraves Mining Co., Inc.**
Aug. 5 (letter of notification) 300,000 shares of common stock (par 10 cents) to be offered for subscription by stockholders; unsubscribed shares to public. **Price**—To stockholders, 80 cents per share; to public, $1 per share. **Proceeds**—For exploration and mining operations. **Office**—3439 N. E. Sandy Blvd., Portland 12, Ore. **Underwriter**—None. This company has cancelled the offering.

**Service Life Insurance Co. (9/28-10/2)**
Aug. 25 filed 25,000 outstanding shares of common stock (par $1). **Price** — $20 per share. **Proceeds** — To selling stockholder. **Office**—400 West Vickery Blvd., Fort Worth, Texas. **Underwriter**—Kay and Company, Inc., Houston, Texas.

● **Servo Corp. of America (10/20-23)**
Sept. 11 filed $1,000,000 of conv. subord. debens. due Oct. 1, 1974. **Price**—100% of principal amount. **Proceeds**—$300,000 for working capital; $300,000 for increased development and research, with particular attention to civilian products; $200,000 for plant relocation and consolidation at the Hicksville, N. Y., site and for expansion of equipment; $100,000 for sales promotion and related activities; and $100,000 for general corporate purposes. **Office**—20-20 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—Ira Haupt & Co., New York.

**Shares in American Industry, Inc.**
Dec. 12 filed 50,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office**—1033-30th Street, N. W., Washington 7, D. C. **Investment Advisor**—Investment Fund Management Corp. **Former Name** — Shares in America, Inc.

**Shell Electronics Manufacturing Corp. (10/12-16)**
Aug. 28 filed 170,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes, including the repayment of indebtedness, the purchase of equipment, and for working capital. **Office** — 112 State St., Westbury, L. I., N. Y. **Underwriter**—Schweickart & Co., New York.

**Shield Chemical Ltd.**
Sept. 3 (letter of notification) 95,000 shares of capital stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—To purchase and install manufacturing equipment; control and test equipment; advertising and for working capital. **Office**—17 Jutland Road, Toronto, Canada. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colorado.

**Simon Hardware Co.**
Sept. 14 filed $800,000 of 7% sinking fund subordinated debentures, due 1971, and 80,000 shares of common stock, to be offered in units of $1,000 principal amount of debentures and 100 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To open one or more additional retail stores in Northern California, with the balance to be used for general corporate purposes. **Office**—800 Broadway, Oakland, Calif. **Underwriters**—J. S. Strauss & Co., and York & Co., both of San Francisco, Calif., and Mason Brothers, Oakland, California.

**Sire Plan of Tarrytown, Inc.**
July 13 filed $900,000 10-year 6% debentures and 18,000 shares of $3 cumulative, non-callable, participating preferred stock (par $10). **Price**—$100 per unit consisting of one $50 debenture and one share of preferred stock. The minimum sale is expected to be five units. **Proceeds**—For general corporate purposes incidental to the acquisition of land and buildings in Tarrytown, N. Y., and alterations and construction thereon. **Office**—115 Chambers Street, New York City. **Underwriter**—Sire Plan Portfolios, Inc., 115 Chambers Street, New York City. **Offering**—Expected in October.

**Skaggs Leasing Corp.**
June 4 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Harrison S. Brothers & Co., Salt Lake City, Utah.

**Skiatron Electronics & Television Corp.**
Aug. 13 filed 172,242 shares of common stock (par 10 cents), of this stock, 128,500 shares were issued or are to be issued pursuant to warrants issued in 1956; 13,742 shares are to be issued to various persons in lieu of cash for services rendered, pursuant to authorization of the directors in January 1958; 30,000 common shares are to be offered by owner Arthur Levey for sale by brokers. **Proceeds**—For working capital. **Office**—New York City. **Underwriter**—None. No. public offering is planned.

● **Sottile, Inc. (Formerly South Dade Farms, Inc.)**
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Expected late in September or early October.

**Southeastern Development Corp.**
Aug. 14 filed 738,964 shares of common stock (par $1), of which 340,000 shares will be offered publicly. Each purchaser is also to receive a non-transferable option to purchase a like number of shares on or before April 7, 1960 exercisable at $2.50 per share. Of the total, 37,429 shares are to be issued in exchange for outstanding shares of Southeastern Building Corp., on a one-for-one basis, conditional upon the tender of sufficient Building stock for exchange so that the Development Corp. will own at least 75%; 21,535 shares are covered by outstanding warrants which are exercisable at $2.50 per share. **Price**—For public offering, $2.50 per share. **Proceeds** — To be used to complete building program of Southeastern and to expand other divisions. **Office**—Hattiesburg, Miss. **Underwriter**—None.

**Southern California Gas Co. (9/29)**
Aug. 24 filed $30,000,000 of first mortgage bonds, series D, due Oct. 1, 1984. **Proceeds**—To repay short-term indebtedness to Pacific Lighting Corp., the issuer's parent corporation, which is expected to approximate $3,000,000 as of Oct. 1, 1959, with the balance to be used to finance in part the costs of the company's construction and expansion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); White, Weld & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received at Room 1216, 810 South Flower St., Los Angeles, Calif., at 8:30 a.m. (PDT) on Sept. 29, 1959.

**Southern Frontier Finance Co.**
Aug. 11 filed 1,300,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For working capital and to purchase products for company. **Office**—615 Hillsboro St., Raleigh, N. C. **Underwriter**—None, but the company officials, who are making the offering, may pay a 10% commission to dealers in connection with the sale of their shares.

● **Southern Gulf Utilities, Inc. (9/28-10/2)**
Aug. 24 filed 135,000 shares of common stock (par 5c). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including expansion. **Office**—7630 Biscayne Blvd., Miami, Fla. **Underwriter**—Jaffee, Leverton, Reiner Co., New York.

● **Southern New England Telephone Co.**
Aug. 24 filed 688,885 shares of common stock (par $25), being offered for subscription to stockholders of record Sept. 8, 1959, in the ratio of one new share for each 10 shares then held; rights to expire on Oct. 9, 1959. **Price**—$35 per share. **Proceeds** — To repay advances from American Telephone & Telegraph Co. (owner of 21.3% of the outstanding stock) which are expected to approximate $20,000,000, and the balance, if any, to be used for general corporate purposes. **Office**—227 Church St., New Haven, Conn. **Underwriter**—None.

**Southland Oil Ventures, Inc.**
July 22 filed $1,000,000 of participations in the company's 1959 Oil and Gas Exploration Program. **Price**—$5,000 per participation (minimum is 2 participations). **Proceeds**—For oil and gas exploration program. **Office**—2802 Lexington, Houston 6, Texas. **Underwriter**—None.

★ **Southwest Airmotive Co. (10/12-16)**
Sept. 18 filed 200,000 shares of common stock, of which 100,000 shares are to be offered for the account of the issuing company, and 100,000 shares are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be used for general corporate purposes, including the addition of working capital, and the providing of funds for adding to jet-engine overhaul facilities, including the purchase of shop equipment and special tooling required for this purpose. **Office**—7515 Lemmon Ave., Dallas, Tex. **Underwriters** — Rauscher, Pierce & Co., Inc. and Dallas Rupe & Son, Inc., both of Dallas, Tex.

**Space Components, Inc., Washington, D. C. (9/23)**
Aug. 20 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital, etc. **Office**—1048 Potomac St., N. W., Washington, D. C. **Underwriters**—Bertner Bros. and Earl Edden Co., both of New York, N. Y.

**Span America Boat Co., Inc.**
Sept. 9 (letter of notification) 175,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—To purchase raw materials; for sales program and working capital. **Address**—Exposition Park, Fort Dodge, Iowa. **Underwriter** — R. A. Holman & Co., Inc., New York, New York.

**Sports Arenas (Delaware) Inc.**
Nov. 18 filed $2,000,000 of 6% 10-year convertible debentures (subordinated), due Jan. 1, 1969. **Price**—To be supplied by amendment. **Proceeds**—$750,000 to pay AMF Pinspotters, Inc. for bowling alley beds; $350,000 to pay for other installations, fixtures and equipment; $85,000 to expand two present establishments by increasing the number of alley beds by eight at Yorktown Heights and by six at Wilton Manor Lanes, Fort Lauderdale; $300,000 for deposits on leaseholds, telephones and utilities; and $395,000 for working capital. **Underwriter**—None. Stop-order proceedings instituted by SEC.

**Sports Arenas (Delaware) Inc.**
Nov. 18 filed 461,950 shares of common stock (par one cent). **Price**—At the market (but in no event less than $6 per share). **Proceeds**—To selling stockholders. **Office**—33 Great Neck Road, Great Neck, N. Y. **Underwriter**—None. Stop order proceedings instituted by SEC.

● **Standard Beryllium Corp. (9/28-10/2)**
Sept. 3 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For working capital and general corporate purposes. **Office**—150 E. 43rd St., New York 17, N. Y. **Underwriter**—R. G. Williams & Co., Inc., New York, N. Y.

● **Steak'n Shake, Inc.**
Aug. 24 filed 65,505 shares of common stock, to be offered by subscription by common stockholders of record Sept. 15, 1959, on the basis of one new share for each 9 shares then held. **Price**—$4.62½ per share. **Proceeds**—For general corporate purposes, including the developing of three drive-in restaurants on company-owned building sites. **Office**—1700 West Washington St., Bloomington, Ill. **Underwriter**—White & Co., St. Louis, Mo. **Offering**—Expected in early October.

**Stelling Development Corp.**
June 8 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For mortgages, land, paving roads, loans payable, advertising, etc. **Office**—305 Morgan St., Tampa 2, Fla. **Underwriter**—Stanford Corp., Washington, D. C.

**Strategic Materials Corp.**
June 29 filed 368,571 shares of common stock (par $1), to be offered for subscription by common stockholders at the rate of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For payment of bank loans; for payment of a note; for working capital; for expenditures by Strategic-Udy Metallurgical & Chemical Processes Ltd., which owns and operates a pilot plant at Niagara Falls, Ontario, and is a subsidiary of Stratmat Ltd., Strategic's principal subsidiary, and by its other direct subsidiary, Strategic-Udy Processes, Inc., which owns and operates a laboratory at Niagara Falls, N. Y.; as working capital for a mining subsidiary; for payment of a mortagage; and as working capital for another subsidiary. **Underwriters** — S. D. Lunt & Co., Buffalo, N. Y.; and Allen & Co., New York.

● **Sylvania Electric Products, Inc.**
Sept. 1 filed $25,000,000 of sinking fund debentures, due Sept. 1, 1984. **Price** — To be supplied by amendment. **Proceeds**—To be applied to indebtedness. **Office**—730 Third Avenue, New York. **Underwriters**—Paine, Webber, Jackson & Curtis, and Halsey, Stuart & Co. Inc., both of New York. This offering has been deferred due to market conditions.

● **Tang Industries, Inc. (9/25-28)**
May 25 filed 110,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase machinery and equipment; for research and development; for certain expenses and for working capital. **Office**—49 Jones Road, Waltham, Mass. **Underwriter** — David Barnes & Co., Inc., New York.

● **Tassette, Inc. (10/5-9)**
Aug. 26 (letter of notification) 100,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of furniture and fixtures, selling, advertising and other working capital. **Office**—170 Atlantic St., Stamford, Conn. **Underwriters**—Amos Treat & Co., Inc. and Truman, Wasserman & Co., both of New York, N. Y.

**Technology, Inc.**
May 15 filed 325,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To pay off in full the subscription of Microwave Electronic Tube Co., Inc. stock, represented by notes, to pay for improvements upon the plant leased to Microwave, and for working capital. **Office**—1500 Massachusetts Avenue, N. W., Washington, D. C. **Underwriter** — E. L. Wolf Associates, Inc., Washington, District of Columbia.

**Tennessee Gas Transmission Co.**
Aug. 21 filed 473,167 shares of common stock (par $5), to be exchanged for common stock of East Tennessee Natural Gas Co. on the basis of one share of Tennessee Gas Common for 2.75 shares of East Tennessee common. This offer is subject to various conditions, one of which is that all of the 5.20% cumulative preferred stock ($25 par) of East Tennessee shall have been purchased or redeemed and cancelled. East Tennessee is presently negotiating for the sale of $5,800,000 of which 11-year 5¾% debentures, contingent upon the consummation of the exchange offer, $4,568,785 of the proceeds of which will be applied to the redemption of the 5.20% cumulative preferred stock. **Office**—Tennessee Bldg., Houston, Texas. **Dealer-Managers** — Stone & Webster Securities Corp., and White, Weld & Co., both of New York.

**Tennessee Investors, Inc.**
Aug. 28 filed 500,000 shares of common stock (par $10). **Price**—$12.50 per share. **Proceeds**—To provide investment capital and consulting and advisory services to small businesses. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriters**—The offering is to be made on a "best efforts" basis through NASD members, who will receive an underwriting commission of 90 cents per share.

**Texaco Inc.**
Sept. 2 filed 5,177,688 shares of capital stock to constitute part of the total of 10,134,336 of such shares to be exchanged for the total assets of The Superior Oil Co. pursuant to an agreement dated Aug. 10, 1959 on a 24-for-1 basis.

● **Texmar Realty Co., New York (10/5-9)**
Sept. 1 filed $1,819,000 of limited partnership interests in the company. **Price**—At par ($5,000 per unit). **Pro-**

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ceeds—To be used to pay for properties. **Underwriters**—Lifton Securities, Inc. and Hechler-Weingrow Securities, Inc., both of 375 Park Avenue, New York, N. Y. **Offering**—Expected early in October.

**Textron Electronics Co.**
Aug. 3 filed 500,000 shares of outstanding common stock, being offered by Textron Industries, Inc., the present holder thereof, to Textron Inc. stockholders on the basis of one share of Textron Electronics stock for each 10 shares of Textron Inc. stock held as of Sept. 2, 1959; rights to expire on Sept. 25, 1959. **Price**—$7.50 per share. **Office**—10 Dorrance Street, Providence, R. I. **Underwriter**—None.

**Thrift Drug Co. of Pennsylvania (10/14)**
Sept. 14 filed 75,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — To retire bank indebtedness and assist in the opening of 15 new drug stores in 1959-60. **Office**—16th and Mary Sts., Pittsburgh, Pa. **Underwriter**—Singer, Deane & Scribner, Pittsburgh, Pa.

**Tower's Marts, Inc.**
Aug. 28 filed 300,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To reduce indebtedness by about $300,000, with the balance to be added to working capital of the company and its subsidiaries. **Office**—210 East Main Street, Rockville, Conn. **Underwriters**—To be supplied by amendment.

**Transcon Petroleum & Development Corp., Mangum, Okla.**
March 20 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil properties. **Underwriter**—First Investment Planning Co., Washington, D. C.

**Treasure Hunters, Inc.**
June 4 filed 1,900,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For salvage operations. **Office**—1500 Massachusetts Avenue, N. W., Washington, D. C. **Underwriter**—None.

**Trinity Small Business Investment Co.**
April 17 filed 235,000 shares of capital stock (par $1). **Price** — $10.75 per share. **Proceeds** — For investment. **Office**—South Main Street, Greenville, S. C. **Underwriter**—To be supplied by amendment.

**Tungsten Mountain Mining Co.**
May 21 (letter of notification) $100,000 principal amount of 7% first mortgage convertible bonds, to be offered in denominations of $500 and $1,000 each. **Price**—100% of principal amount. **Proceeds**—For construction, installation of machinery and equipment and working capital. **Office**—511 Securities Building, Seattle 1, Wash. **Underwriter**—H. P. Pratt & Co., Seattle 4, Wash.

**Union Electric Co.**
Aug. 7 filed 1,036,602 shares of common stock (par $10), being offered for subscription by stockholders of record Sept. 10, 1959, on the basis of one new share for each 10 shares then held; rights to expire Sept. 30. The company also is offering to its employees and those of its subsidiaries shares not deliverable under the offering to stockholders, and also 21,123 shares now held in the treasury. **Price** — $30 per share. **Proceeds** — For general corporate purposes, including the financing of additions to plant and property and the retirement of loans already incurred for these purposes. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

**United Employees Insurance Co.**
April 16 filed 2,000,000 shares of common stock (par $5) **Price** — $10 per share. **Proceeds** — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. **Office** — Wilmington, Del. **Underwriter**—None. Myrl L. McKee of Portland, Ore., is President.

● **U. S. Home & Development Corp.**
Sept. 3 (letter of notification) 99,933 shares of class A capital stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For construction of real estate developments. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter** — Sandkuhl & Co., Inc., 1180 Raymond Blvd., Raymond-Commerce Bldg., Newark 2, N. J. **Offering**—Expected in October.

**United Tourist Enterprises, Inc.**
Jan. 28 filed 4,500,000 shares of class A common stock (par 50 cents). **Price** — $2 per share. **Proceeds** — For development and construction of a "Western Village" and for construction of a Grand Estes Hotel and Convention Hall, to be constructed in the immediate vicinity of Estes Park Chalet, located in Larimer County, Colo. **Office** — 330 South 39th Street, Boulder, Colo. **Underwriter**—Mid-West Securities Corp., Littleton, Colo.

**United Utilities, Inc. (9/29)**
Sept. 2 filed 229,606 shares of common stock (par $10) to be offered for subscription on or about Sept. 29, 1959 in the ratio of one new share for each 10 shares held; rights to expire on or about Oct. 13. **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriter**—Kidder, Peabody & Co., New York.

**Universal Finance Corp.**
July 13 (letter of notification) 10,000 shares of common stock (par 15 cents). **Price**—$5 per share. **Proceeds**—For general operating funds. **Office**—700 Gibralter Life Bldg., Dallas, Tex. **Underwriter**—Texas National Corp., San Antonio, Tex.

**Val Vista Investment Co., Phoenix, Ariz.**
June 29 filed 80 investment contracts (partnership interests) to be offered in units. **Price**—$5,378.39 per unit. **Proceeds**—For investment. **Underwriter**—O'Malley Securities Co. Statement effective Aug. 11.

**Variable Annuity Life Insurance Co. of America**
April 21 filed $4,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—1832 M Street, N. W., Washington, D. C. **Underwriter**—None.

● **Vernors Ginger Ale, Inc. (10/20)**
Sept. 15 filed $750,000 of 6½% sinking fund debentures, due Oct. 1, 1974, with common stock purchase warrants attached, and 282,760 shares of common stock. **Price**—The debentures are to be offered at 100% of principal amount. The price of the common shares will be supplied by amendment. **Proceeds**—From the sale of the debentures, to redeem preferred stock and for use as working capital; from the sale of the common stock, to the Estate of James Vernor, deceased, the selling stockholder. **Office**—4501 Woodward Avenue, Detroit, Mich. **Underwriters**—Baker, Simonds & Co., Inc., of Detroit, and Wm. J. Mericka & Co., Inc., of Cleveland, Ohio.

**Victoria Raceway**
May 25 filed 1,000,000 shares of common stock (par $2 in Canadian funds). **Price**—$4.50 per share. **Proceeds**—To construct and operate a racing plant; and for working capital and other corporate purposes. **Office**—Notre Dame Avenue at King Street, Winnipeg, Canada. **Underwriter**—Original underwriter has withdrawn.

**Vita-Plus Beverage Co., Inc.**
Aug. 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For publicity, advertising, business promotion and initiation of a program of national distribution and for working capital. **Office**—373 Herzl St., Brooklyn, N. Y. **Underwriter**—Caldwell Co., New York, N. Y. **Offering**—Expected sometime late in September.

**Vulcan Materials Co., Inc.**
June 29 filed 10,000 shares of 6¼% cumulative preferred stock and 560,000 shares of common stock, to be offered to the stockholders of Ralph E. Mills Co., Talbott Construction Corp. and Talco Constructors, Inc., in exchange for all the outstanding capital stock of these three corporations, and to the owner of Sherman Concrete Pipe Co., Chattanooga, Tenn., for the business and assets of that company. **Office**—Mountain Brook, Ala. Statement became effective on July 20.

**Vulcan Materials Co.**
Sept. 15 filed 230,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—The stock will constitute part of the purchase price to be paid for W. E. Graham and Sons and for Wegco Equipment Rentals, Inc. **Office**—Mountain Brook, Ala. **Underwriter**—None.

● **Waddell & Reed, Inc. (9/30)**
Aug. 17 filed 370,000 shares of class A common stock (par $1), non-voting, of which 80,000 shares are to be offered for public sale for the account of the issuing company and 290,000 shares, representing outstanding stock, by the present holders thereof. **Price**—About $28-$32 per share. **Proceeds**—To redeem at 105% of the par value thereof, 1,500 shares of class A preferred stock ($100 par) and at 120% of the par value thereof, 375 shares of $100 par preferred stock now outstanding and the balance will be added to the company's working capital "in anticipation of further expansion of its business." **Office**—20 West 9th St., Kansas City 5, Mo. **Underwriter**—Kidder, Peabody & Co., New York.

**Waltham Engineering and Research Associates**
July 28 filed $1,065,000 of participations in partnership interests. **Proceeds**—To purchase land and buildings of Waltham Engineering and Research Center, Waltham, Mass., and for expenses connected to the purchase. **Office**—49 W. 32nd Street, New York 1, N. Y. **Underwriter**—The First Republic Underwriters Corp., same address. The offering is expected in September.

**Washington Mortgage and Development Co., Inc.**
Aug. 24 filed 100,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For investment in mortgage notes secured by real estate. **Office**—1028 Connecticut Avenue, N. W., Washington, D. C. **Underwriters**—American Diversified Mutual Securities, Inc. and Gildar & Co., both of Washington, D. C.

**Wellington Electronics, Inc.**
May 6 filed 240,000 shares of common stock (par 75 cents. **Price**—$6 per share. **Proceeds**—For repayment of a bank note; to complete the automation of the etched foil production plant at Englewood, N. J.; for manufacture of machines to be leased to capacitor manufacturers; and for working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., both of New York. Statement effective July 8. **Offering** — Expected this week.

**Western Wood Fiber Co.**
March 5 filed 100,000 shares of common stock (par $10) and 40,000 shares of preferred stock (par $25). **Price** — At par. **Proceeds**—For construction and equipment of company's plant and for working capital. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—None.

● **West Florida Natural Gas Co. (10/5-9)**
Aug. 31 filed $837,200 of 7½% 30-year subordinated income debentures and warrants to purchase 25,116 shares of class A common stock ($1 par). **Price**—$100 per unit consisting of one $100 debenture and a warrant to purchase three shares of class A common stock. **Proceeds**—To be applied, together with moneys in the sinking fund of the issuing company, to the redemption of the outstanding 6% 20-year debenture bonds at their redemption price of 103% of their principal amount. **Office**—Maple and 3rd Streets, Panama City, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla.

**Western Empire Life Insurance Co.**
June 29 filed 212,000 shares of common stock and options to purchase 172,701 shares (plus the underlying shares). The company proposes to make a public offering of three blocks of stock in amounts of 40,430, 38,570 and 36,935 shares, at prices of $1, $2 and $3, respectively. The remaining 96,065 common shares and options for the 172,701 shares (together with shares underlying such options) are to be offered by the present holders thereof. The options permit purchase of the underlying shares at $1 per share. **Proceeds**—For general corporate purposes. **Office**—2801 East Colfax Ave., Denver, Colo. **Underwriter**—None.

**Western Heritage Life Insurance Co.**
Aug. 26 filed 500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—533 East McDowell Road, Phoenix, Ariz. **Underwriter**—None. Some of the shares may be sold by salesmen employed by the company, or by registered broker-dealers. A commission not to exceed 17%, or 34 cents per share, may be paid to sellers of such shares.

★ **Western Massachusetts Electric Co. (10/21)**
Sept. 23 filed $8,000,000 of first mortgage bonds, series D, due 1989. **Proceeds**—To pay outstanding bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Lee Higginson Corp. (jointly); The First Boston Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. **Bids**—Expected to be received up to 11 a.m. (EDT) on Oct. 21 at the office of the company, 201 Devonshire St., Boston, Mass.

**Wilson Brothers**
Aug. 31 filed 261,752 shares of common stock, to be exchanged for the common stock of Virginia Iron, Coal and Coke Co. on the basis of one share of Wilson common for five shares of Virginia common. **Office** — 180 Madison Ave., New York.

★ **Winter Sports, Inc., Whitefish, Mont.**
Sept. 14 (letter of notification) 3,000 shares of common stock. **Price**—At par ($100 per share). **Proceeds** — For expenses in operating a ski resort. **Underwriter**—None.

**Wyoming Corp.**
Nov. 17 filed 1,449,307 shares of common stock. Of these shares 1,199,307 are subject to partially completed subscriptions at $2, $3.33 and $4 per share; and the additional 250,000 shares are to be offered initially to shareholders of record Nov. 1, 1958, in the ratio of one new share for each 2.33 shares held on that date. **Price**—$4 per share. **Proceeds**—$300,000 will be used for payments on contract to purchase shares of International Fidelity Insurance Co.; $325,000 for capitalization of a fire insurance company; $500,000 for capitalization of a title insurance company; $500,000 for additional capital contribution to Great Plains Development Co.; and $300,000 as an additional capital contribution to Great Plains Mortgage Co. **Office**—319 E. "A" St., Casper, Wyo. **Underwriter**—None

★ **Wyoming Nuclear Corp.**
Sept. 11 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Office**—Noble Hotel Bldg., Lander, Wyo. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

● **York Research Corp. (10/1)**
Aug. 10 filed 150,000 shares of class A stock (par $1). **Price**—$3 per share. **Proceeds** — For general corporate purposes, including the discharge of various indebtedness and the purchase and installation of new equipment; and for the establishment of a new testing laboratory. **Office**—Stamford, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

**Zale Jewelry Co., Inc. (10/6)**
Sept. 4 filed 108,989 shares of common stock (par $1), of which 20,000 shares will be offered by the company directly to its employees and the remaining 88,989 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To company, for general corporate purposes. **Business**—Operates the largest chain of jewelry stores in the United States. **Underwriters** — Goldman, Sachs & Co., New York, and Eppler, Guerin & Turner, Inc., Dallas, Texas.

# Prospective Offerings

**American Gypsum Co.**
July 15 it was reported that the company will register debt and equity securities later this year. **Proceeds**—For construction of a gypsum products plant in Albuquerque, New Mexico, and for working capital. **Office**—Albuquerque, N. M. **Underwriters**—Jack M. Bass & Co., Nashville, Tenn., and Quinn & Co., Albuquerque, N. M.

**American Jet School, Inc., Lansing, Mich.**
Aug. 31 it was announced that the corporation plans to issue and sell 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion of present Michigan and Ohio sales force to a national one, and introduction of new courses and resident study schools. **Business** — In correspondence school business. **Office**—1609 Kalamazoo St., Lansing, Mich. **Underwriter** — In New York to be named in early October. **Offering**—Planned for mid-October.

**American Telephone & Telegraph Co. (11/17)**
Aug. 19 the directors authorized a new issue of $250,000,000 of debentures. **Proceeds**—To be used for the improvement and expansion of Bell Telephone services. **Underwriters**—To be determined by competitive bidding. Probable bidders: The First Boston Corp. and Halsey,

Stuart & Co. Inc. (jointly); Morgan Stanley & Co. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received on Nov. 17.

**Atlantic City Electric Co.**
Aug. 3 it was reported that the directors are contemplating the issuance and sale of a small amount of common stock, after a three-for-two stock split. Last equity offerings were underwritten by Eastman Dillon, Union Securities & Co.; and Smith, Barney & Co., both of New York. **Offering**—Expected during the latter part of this year.

**Barton's Candy Corp.**
July 15 it was reported that the company is planning an issue of common stock. **Business** — The 19-year-old company operates 67 retail candy stores in the Greater New York area, and 45 other outlets in the area north of Atlanta, Ga., and east of Chicago, Ill. Gross sales volume in the fiscal year ended June 30 was reportedly about $10,000,000. **Proceeds** — In part to selling stockholders, and, in part, to the company, for the expansion of production facilities, for the organization of additional outlets, and for general corporate purposes. **Underwriter** —D. H. Blair & Co., New York City. **Registration**—Expected on or before Oct. 1.

**Benson Manufacturing Co., Kansas City, Mo.**
June 10 it was announced that the company contemplates an offering of $4,500,000 of common stock. **Proceeds** — For expansion program and additional working capital. **Business**—The company is engaged in the manufacture of aircraft and missile parts, aluminum containers and beer barrels, aluminum curtain wall sections for the building industry and other proprietary products. **Underwriter**—S. D. Fuller & Co., New York. **Registration** —Expected sometime in October.

**Bridgeport Gas Co.**
Sept. 9 it was announced that stockholders will be asked on Oct. 27 to approve the issuance of about $1,100,000 in new common stock to stockholders in the ratio of one new share for each seven shares held. **Proceeds** — To reimburse the company's treasury for expansion and expenditures. **Underwriter**—Previous financing was arranged through Smith, Ramsey & Co., Inc., Bridgeport, Conn.

**Brooklyn Union Gas Co.**
Aug. 19 it was reported that the company is contemplating some additional equity financing, the form it will take will be decided on shortly. **Proceeds**—For construction program. **Offering**—Expected before the end of the year.

**Buckingham Transportation, Inc. (9/28)**
July 17 the company sought ICC approval for the issuance of 250,000 shares of class A common stock (par $1). **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. **Price**—$10 per share. **New Name**—The company's name will be changed to Buckingham Freight Lines.

**Coffee House, Inc., Lansing, Mich.**
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price** —$3 per share. **Proceeds** — To build chain of coffee houses, establish commissaries and for general corporate purposes. **Office** — 1500 Clifton Ave., Lansing, Mich. **Underwriter**—In New York to be named in early October. **Offering**—Planned for mid-October.

**Consolidated Edison Co. of New York Inc. (12/1)**
July 30 it was reported that the company plans the issuance and sale of $50,000,000 first and refunding mortgage bonds. **Proceeds** — For construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp. **Bids**—Expected to be received on Dec. 1.

**Consolidated Natural Gas Co.**
May 19, James Comerford, President, announced that company plans later in year to issue and sell $20,000,000 of debenture bonds, if market conditions are favorable. **Proceeds**—For investments, improvements, etc. **Underwriter**—To be determined by competitive bidding. **Probable bidders**: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. and The First Boston Corp. (jointly); White, Weld & Co. and Paine, Webber, Jackson & Curtis (jointly).

★ **Copymation, Inc. (formerly Peck & Harvey Mfg. Co.)**
Sept. 22 it was announced that an early registration of 100,000 shares of common stock (par value 50 cents) is planned. **Price**—To be supplied by amendment. **Proceeds** —To repay loans, for research and development, working capital, and the expansion of the company's business of manufacturing white printing photocopy equipment. **Office**—5642-50 North Western Ave., Chicago, Ill. **Underwriter**—Simmons & Co., New York.

● **Cracker Barrel Supermarkets, Inc.**
Sept. 9 it was reported that the company plans an early regulation "A" filing of 120,000 shares of common stock. **Underwriter**—Diran, Norman & Co., New York. **Registration**—Expected this week.

**Cyprus Mines Corp.**
July 15 it was reported that approximately 1,000,000 shares of a secondary issue common stock will be registered in the Fall. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

**Dallas Power & Light Co.**
Aug. 3 it was reported that the company contemplates the issuance and sale of about $20,000,000 of senior securities, but type or types has not as yet been determined. **Underwriter**—To be determined by competitive bidding. Probable bidders: (1) For bonds: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Salomon Bros. & Hutzler; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Eastman Dillon, Union Securities & Co.; Blair & Co., Inc. and Baxter & Co. (jointly); Lehman Brothers. (2) For debentures: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Salomon Bros. & Hutzler; Equitable Securities Corp.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blair & Co. Inc.; The First Boston Corp. **Offering**—Expected sometime this Fall.

**Duquesne Light Co.**
Aug. 3 it was reported that the company is contemplating the issuance of an undetermined amount of subordinated convertible debentures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Eastman Dillon, Union Securities & Co.; A. C. Allyn & Co., Inc. and Ladenburg, Thalmann & Co. (jointly); White, Weld & Co.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Blyth & Co., Inc.; Drexel & Co. and Equitable Securities Corp. (jointly). **Offering**—Expected later this year.

★ **Ennis Business Forms, Inc., Texas**
Sept. 21 it was reported that this company plans the issuance and sale of about 250,000 shares of common stock, part of which will be for the company's account and the remaining part will be sold for the account of certain selling stockholders. **Underwriter**—Kidder, Peabody & Co., New York. **Registration**—Expected on Sept. 25.

● **First National Bank of Miami, Fla.**
Sept. 14 it was announced stockholders will vote Sept. 22 on approving a proposed offering to stockholders of 150,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

**Florida Power & Light Co. (10/27)**
Aug. 17 it was reported that the company plans to file with the SEC $20,000,000 of first mortgage bonds. **Proceeds**—To help finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Blyth & Co., Inc. and Lehman Brothers (jointly); White, Weld & Co., and The First Boston Corp. **Bids**—Expected to be received up to 11:30 a.m. (EST), Oct. 27.

**Georgia-Pacific Corp.**
Aug. 19 it was reported that the company plans to register about $15,000,000 of convertible debentures or preferred stock, conversion of which would add about 600,000 shares to the number of common shares currently outstanding. **Proceeds**—To assist in the financing of the recently acquired Booth-Kelly Lumber Co. **Office** —Olympia, Wash. **Underwriter**—Financing in past has been handled by Blyth & Co., Inc.

**Gulf States Utilities Co. (11/24)**
Aug. 20 it was reported that the company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Stone & Webster Securities Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Nov. 24.

● **B. M. Harrison Electrosonics, Inc.**
Aug. 6 it was reported that the company plans to register 133,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For working capital and expansion of plant facilities, and for hiring more engineers. **Office** —Newton, Mass. **Underwriter**—G. Everett Parks & Co., Inc., 52 Broadway, New York. **Offering** — Expected prior to Nov. 13. **Registration**—Expected this week.

**Hawaiian Telephone Co.**
Aug. 3 it was reported company received approval from the Territorial Public Utilities Commission to issue about $4,500,000 of new bonds. Last bond issues were placed privately.

**Independent Radio, Inc., Lansing, Mich.**
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price** —$3 per share. **Proceeds**—For acquisition of radio stations. **Business**—Radio broadcasting. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—In New York to be named in early October. **Offering**—Planned for mid-October.

★ **Intercontinental Motels, Ltd.**
Sept. 23 it was reported that early registration is planned of 133,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To be added to working capital in order to enable company to exercise options on motels and/or parcels of land. **Office**—Martinsville, Va. **Underwriter** — G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering**—Expected prior to Dec. 10.

**Kansas City Power & Light Co.**
Dec. 29 it was reported that the company plans to issue and sell $20,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman, Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids**—Expected later in the year.

★ **Lindberg Steel Treating Co.**
Sept. 21 it was reported that the company plans a regulation "A" filing of about 80,000 shares of class A common stock. **Proceeds**—To selling stockholders. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. **Offering**—Expected in the early part of November.

**Louisiana Gas Service Co. (12/8)**
Sept. 14 it was reported that this wholly-owned subsidiary of Louisiana Power & Light Co. is contemplating the issuance and sale of $6,000,000 of first mortgage bonds having a maturity of no longer than 25 years and perhaps as short as 16 years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co., Inc., and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and Harriman Ripley & Co. Inc. (jointly); Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); The First Boston Corp. and Glore, Forgan & Co. (jointly). **Bids**—Expected to be received on or about Dec. 8.

**Manchester Bank of St. Louis (Mo.) (10/8)**
Aug. 19 it was reported that the bank's stockholders will vote on Oct. 6 to approve a 2-for-1 stock split of its 75,000 outstanding shares of common stock (par $20), a 3½% stick dividend on the 150,000 shares of new common stock (par $10) outstanding, if approved, would be payable on or about Nov. 2. An offering of 45,000 shares of additional common stock (par $10) would be issued to stockholders of record on or about Oct. 3, 1959; rights to expire on or about Oct. 22. **Proceeds**—To increase capital and surplus. **Underwriter**—G. H. Walker & Co., St. Louis, Mo.

**Maritime Telegraph & Telephone Co. Ltd.**
Aug .24 company offered to its common stockholders the right to subscribe for 264,013 additional shares of common stock on the basis of one new share for each seven shares held of record July 24. Warrants will expire Sept. 30. **Price** — $13 per share. **Proceeds** — For capital expenditures. **Underwriter**—None.

**Missouri Pacific RR. (9/30)**
Bids will be received by the company for the purchase from it of $3,225,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salamon Bros. & Hutzler.

**National Bellas Hess, Inc.**
Sept. 9 it was reported that the company is considering the issuance and sale of $5,000,000 of convertible debentures. The conversion feature of the proposed debenture issue would require more than 334,393 uncommitted shares now available. Stockholders will consider on Sept. 29 a proposal to increase the present 3,000,000 shares of common stock now authorized to 4,000,000. shares. **Proceeds** — For general corporate purposes. **Underwriter** — The company's last previous financing consisted of $3,000,000 of 15-year promissory notes, which were sold privately to J. P. Morgan & Co. Inc. through Stern Brothers & Co., Kansas City, Mo.

**National Mail Order Co., Lansing, Mich.**
Aug. 26 it was announced company plans to register in a few days an issue of about $500,000 of common stock. **Price** — To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—To be named later in New York State.

**New England Telephone & Telegraph Co.**
Aug. 19 it was reported that the company will issue and sell $10,000,000 of preferred stock. **Proceeds**—For capital expenditures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman, Dillon, Union Securities & Co. (jointly); Equitable Securities Corp., Kidder, Peabody & Co., Lee Higginson Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. **Bids**—Expected to be received sometime in December.

★ **New England Power Co. (12/9)**
Sept. 17 it was announced that this company plans to issue and sell 100,000 shares of cumulative preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on Dec. 9.

**New-Era Corporation, Rochester, Mich.**
Sept. 1 it was reported that this company contemplates the early registration of approximately 200,000 shares of common stock. **Business**—Manufacturer of mufflers and gears. Underwriter—Mortimer B. Burnside & Co., Inc., New York.

*Continued on page 51*

# Indications of Current Business Activity

**The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:**

| | | Latest Week | Previous Week | Month Ago | Year Ago |
|---|---|---|---|---|---|
| **AMERICAN IRON AND STEEL INSTITUTE:** | | | | | |
| Indicated Steel operations (per cent capacity) | Sept. 26 | §12.7 | *12.6 | 11.7 | 67.3 |
| Equivalent to— Steel ingots and castings (net tons) | Sept. 26 | §359,000 | *356,000 | 332,000 | 1,816,000 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Sept. 11 | 6,812,975 | 6,784,625 | 6,822,575 | 7,009,235 |
| Crude runs to stills—daily average (bbls.) | Sept. 11 | ¶8,181,000 | 8,132,000 | 7,950,000 | 7,845,000 |
| Gasoline output (bbls.) | Sept. 11 | 29,490,000 | *29,450,000 | 29,077,000 | 28,056,000 |
| Kerosene output (bbls.) | Sept. 11 | 2,180,000 | 1,932,000 | 1,939,000 | 2,088,000 |
| Distillate fuel oil output (bbls.) | Sept. 11 | 11,938,000 | *12,673,000 | 12,024,000 | 12,415,000 |
| Residual fuel oil output (bbls.) | Sept. 11 | 6,098,000 | 6,373,000 | 5,973,000 | 6,788,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe line | Sept. 11 | 183,491,000 | 181,509,000 | 183,104,000 | 172,891,000 |
| Finished and unfinished gasoline (bbls.) at | Sept. 11 | 32,787,000 | 31,354,000 | 29,473,000 | 29,648,000 |
| Kerosene (bbls.) at | Sept. 11 | 168,578,000 | 163,198,000 | 147,907,000 | 146,190,000 |
| Distillate fuel oil (bbls.) at | Sept. 11 | 58,778,000 | 57,507,000 | 55,525,000 | 68,378,000 |
| Residual fuel oil (bbls.) at | | | | | |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Sept. 12 | 480,647 | 544,089 | 543,844 | 666,223 |
| Revenue freight received from connections (no. of cars) | Sept. 12 | 449,424 | 503,531 | 483,610 | 539,583 |
| **CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:** | | | | | |
| Total U. S. construction | Sept. 17 | $298,500,000 | $338,800,000 | $377,900,000 | $332,307,000 |
| Private construction | Sept. 17 | 172,600,000 | 228,800,000 | 210,300,000 | 109,042,000 |
| Public construction | Sept. 17 | 125,900,000 | 110,000,000 | 167,600,000 | 223,325,000 |
| State and municipal | Sept. 17 | 102,100,000 | 99,300,000 | 83,300,000 | 201,133,000 |
| Federal | Sept. 17 | 23,800,000 | 10,700,000 | 84,300,000 | 22,192,000 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Sept. 12 | 6,375,000 | *7,340,000 | 7,225,000 | 8,457,000 |
| Pennsylvania anthracite (tons) | Sept. 12 | 329,000 | 427,000 | 341,000 | 475,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100** | Sept. 12 | 132 | 148 | 132 | 145 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Sept. 19 | 12,779,000 | 13,109,000 | 14,003,000 | 12,240,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Sept. 17 | 264 | 222 | 263 | 262 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Sept. 15 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | Sept. 15 | $66.41 | $66.41 | $66.41 | $66.49 |
| Scrap steel (per gross ton) | Sept. 15 | $41.50 | $40.83 | $39.83 | $43.17 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Sept. 16 | 30.950c | 30.875c | 29.600c | 26.075c |
| Export refinery at | Sept. 16 | 27.475c | 28.800c | 29.025c | 25.700c |
| Lead (New York) at | Sept. 16 | 13.000c | 13.000c | 12.000c | 10.750c |
| Lead (St. Louis) at | Sept. 16 | 12.800c | 12.800c | 11.800c | 10.550c |
| ‡Zinc (delivered) at | Sept. 16 | 11.500c | 11.500c | 11.500c | 10.500c |
| Zinc (East St. Louis) at | Sept. 16 | 11.000c | 11.000c | 11.000c | 10.000c |
| Aluminum (primary pig, 99.5%) at | Sept. 16 | 24.700c | 24.700c | 24.700c | 24.700c |
| Straits tin (New York) at | Sept. 16 | 102.625c | 102.000c | 102.250c | 95.500c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Sept. 22 | 80.92 | 80.67 | 83.20 | 86.69 |
| Average corporate | Sept. 22 | 84.17 | 84.68 | 85.98 | 90.06 |
| Aaa | Sept. 22 | 88.27 | 88.67 | 89.92 | 94.41 |
| Aa | Sept. 22 | 85.72 | 86.38 | 87.86 | 92.79 |
| A | Sept. 22 | 83.53 | 83.91 | 85.59 | 89.92 |
| Baa | Sept. 22 | 79.49 | 80.32 | 80.93 | 83.91 |
| Railroad Group | Sept. 22 | 83.15 | 84.17 | 84.68 | 88.54 |
| Public Utilities Group | Sept. 22 | 83.40 | 83.79 | 85.33 | 89.51 |
| Industrials Group | Sept. 22 | 85.98 | 86.24 | 87.86 | 92.35 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Sept. 22 | 4.45 | 4.48 | 4.17 | 3.45 |
| Average corporate | Sept. 22 | 4.85 | 4.81 | 4.71 | 4.41 |
| Aaa | Sept. 22 | 4.54 | 4.51 | 4.42 | 4.11 |
| Aa | Sept. 22 | 4.73 | 4.68 | 4.57 | 4.22 |
| A | Sept. 22 | 4.90 | 4.87 | 4.74 | 4.42 |
| Baa | Sept. 22 | 5.23 | 5.16 | 5.11 | 4.87 |
| Railroad Group | Sept. 22 | 4.93 | 4.85 | 4.81 | 4.52 |
| Public Utilities Group | Sept. 22 | 4.91 | 4.88 | 4.76 | 4.45 |
| Industrials Group | Sept. 22 | 4.71 | 4.69 | 4.57 | 4.25 |
| **MOODY'S COMMODITY INDEX** | Sept. 22 | 378.0 | 382.7 | 385.4 | 392.8 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Sept. 12 | 264,056 | 374,535 | 298,923 | 310,445 |
| Production (tons) | Sept. 12 | 250,491 | 335,940 | 325,729 | 305,978 |
| Percentage of activity | Sept. 12 | 76 | 97 | 96 | 97 |
| Unfilled orders (tons) at end of period | Sept. 12 | 567,295 | 550,083 | 551,214 | 509,651 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE = 100** | Sept. 18 | 109.23 | 110.20 | 109.40 | 108.60 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Aug. 28 | 1,679,460 | 1,870,510 | 2,430,330 | 1,762,520 |
| Short sales | Aug. 28 | 278,270 | 285,360 | 410,020 | 340,070 |
| Other sales | Aug. 28 | 1,402,740 | 1,673,550 | 2,044,190 | 1,366,010 |
| Total sales | Aug. 28 | 1,681,010 | 1,958,910 | 2,454,210 | 1,715,080 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Aug. 28 | 237,040 | 251,800 | 360,650 | 389,420 |
| Short sales | Aug. 28 | 10,300 | 37,200 | 40,400 | 56,500 |
| Other sales | Aug. 28 | 202,000 | 207,020 | 364,760 | 332,510 |
| Total sales | Aug. 28 | 212,300 | 244,220 | 405,160 | 389,010 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Aug. 28 | 531,104 | 542,103 | 660,150 | 519,140 |
| Short sales | Aug. 28 | 78,870 | 93,090 | 113,870 | 93,590 |
| Other sales | Aug. 28 | 643,880 | 624,808 | 759,137 | 712,932 |
| Total sales | Aug. 28 | 722,750 | 717,898 | 873,007 | 806,522 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Aug. 28 | 2,447,604 | 2,664,413 | 3,451,130 | 2,671,080 |
| Short sales | Aug. 28 | 367,440 | 415,650 | 564,290 | 499,160 |
| Other sales | Aug. 28 | 2,248,620 | 2,505,378 | 3,168,087 | 2,411,452 |
| Total sales | Aug. 28 | 2,616,060 | 2,921,028 | 3,732,377 | 2,910,612 |
| **STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION** | | | | | |
| Odd-lot sales by dealers (customers' purchases)—† | | | | | |
| Number of shares | Aug. 28 | 1,288,581 | 1,455,720 | 1,834,992 | 1,155,792 |
| Dollar value | Aug. 28 | $65,946,288 | $74,056,085 | $98,212,654 | $51,501,247 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—Customers' total sales | Aug. 28 | 1,118,526 | 1,217,254 | 1,546,095 | 1,209,612 |
| Customers' short sales | Aug. 28 | 8,818 | 10,294 | 4,798 | 8,354 |
| Customers' other sales | Aug. 28 | 1,109,708 | 1,206,960 | 1,541,297 | 1,201,258 |
| Dollar value | Aug. 28 | $56,122,308 | $61,000,891 | $80,042,388 | $51,688,977 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Aug. 28 | 304,290 | 314,340 | 378,030 | 453,150 |
| Short sales | Aug. 28 | ------ | ------ | ------ | ------ |
| Other sales | Aug. 28 | 304,290 | 314,340 | 378,030 | 453,150 |
| Round-lot purchases by dealers— Number of shares | Aug. 28 | 499,150 | 554,830 | 672,830 | 385,280 |
| **TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):** | | | | | |
| Total round-lot sales— | | | | | |
| Short sales | Aug. 28 | 448,020 | 507,660 | 621,930 | 678,420 |
| Other sales | Aug. 28 | 10,446,460 | 11,623,260 | 15,203,330 | 13,455,480 |
| Total sales | Aug. 28 | 10,894,480 | 12,130,920 | 15,825,260 | 14,133,900 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Sept. 15 | 119.6 | 119.4 | 119.3 | 119.0 |
| Farm products | Sept. 15 | 88.7 | 88.1 | 87.9 | 93.2 |
| Processed foods | Sept. 15 | 107.7 | 107.1 | 106.8 | 111.3 |
| Meats | Sept. 15 | 100.7 | 98.6 | 96.9 | 109.1 |
| All commodities other than farm and foods | Sept. 15 | 128.3 | 128.3 | 128.3 | 126.0 |

*Revised figure. ¶Includes 1,024,000 barrels of foreign crude runs. §Based on new annual capacity of 147,633,670 tons as of Jan. 1, 1959, as against Jan. 1, 1958 basis of 140,742,570 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

| | Latest Month | Previous Month | Year Ago |
|---|---|---|---|
| **ALUMINUM (BUREAU OF MINES):** | | | |
| Production of primary aluminum in the U. S. (in short tons)—Month of June | 167,323 | 163,857 | 115,326 |
| Stocks of aluminum (short tons) end of June | 88,612 | 112,710 | 168,096 |
| **AMERICAN GAS ASSOCIATION—For month of July:** | | | |
| Total gas sales (M therms) | 5,558,000 | 5,897,300 | 4,827,000 |
| Natural gas sales (M therms) | 5,461,500 | 5,782,600 | 4,817,000 |
| Manufactured gas sales (M therms) | 6,700 | 10,800 | 11,800 |
| Mixed gas sales (M therms) | 89,000 | 103,900 | 96,000 |
| **AMERICAN PETROLEUM INSTITUTE—Month of June:** | | | |
| Total domestic production (barrels of 42 gallons each) | 238,439,000 | 250,444,000 | 212,558,000 |
| Domestic crude oil output (barrels) | 212,489,000 | 223,806,000 | 190,240,000 |
| Natural gasoline output (barrels) | 25,934,000 | 26,606,000 | 22,258,000 |
| Benzol output (barrels) | 16,000 | 32,000 | 60,000 |
| Crude oil imports (barrels) | 36,147,000 | 29,089,000 | 28,802,000 |
| Refined product imports (barrels) | 20,919,000 | 16,885,000 | 20,956,000 |
| Indicated consumption domestic and export (barrels) | 278,192,000 | *262,985,000 | 255,258,000 |
| Increase all stocks (barrels) | 17,313,000 | *33,433,000 | 7,058,000 |
| **AMERICAN RAILWAY CAR INSTITUTE— Month of August:** | | | |
| Orders for new freight cars | 1,753 | 4,159 | 1,773 |
| New freight cars delivered | 4,890 | 4,273 | 2,151 |
| Backlog of cars on order and undelivered (end of month) | 37,172 | 40,309 | 25,611 |
| **AMERICAN TRUCKING ASSOCIATION, INC.— Month of July:** | | | |
| Intercity general freight transported by 357 carriers (in tons) | 6,387,367 | 5,373,412 | 6,666,700 |
| **COAL EXPORTS (BUREAU OF MINES)— Month of July:** | | | |
| U. S. exports of Pennsylvania anthracite (net tons) | 119,477 | 105,905 | 138,626 |
| To North and Central America (net tons) | 90,162 | 95,178 | 100,521 |
| To Europe (net tons) | 8,075 | 10,690 | 27,336 |
| To Asia (net tons) | 12,422 | 37 | 10,769 |
| To South America (net tons) | 8,818 | ------ | ------ |
| Undesignated | ------ | ------ | ------ |
| **COAL OUTPUT (BUREAU OF MINES)—Month of August:** | | | |
| Bituminous coal and lignite (net tons) | 30,020,000 | 23,970,000 | 33,952,000 |
| Pennsylvania anthracite (net tons) | 1,458,000 | *1,142,000 | 1,750,000 |
| **COKE (BUREAU OF MINES)—Month of July:** | | | |
| Production (net tons) | 2,364,468 | 6,044,017 | 3,965,800 |
| Oven coke (net tons) | 2,310,106 | 5,923,236 | 3,935,400 |
| Beehive coke (net tons) | 54,362 | 120,781 | 30,400 |
| Oven coke stock at end of month (net tons) | 2,195,336 | 2,899,800 | 3,982,524 |
| **COPPER INSTITUTE — For month of August:** | | | |
| Copper production in U. S. A.— | | | |
| Crude (tons of 2,000 pounds) | 57,206 | *89,985 | 76,916 |
| Refined (tons of 2,000 pounds) | 79,860 | 134,020 | 100,640 |
| Deliveries to fabricators— | | | |
| In U. S. A. (tons of 2,000 pounds) | 89,123 | 108,127 | 86,932 |
| Refined copper stocks at end of period (tons of 2,000 pounds) | 92,175 | 103,432 | 215,560 |
| **COTTON GINNING (DEPT. OF COMMERCE:)** | | | |
| To Sept. 1 (running bales) | 1,045,614 | ------ | 1,007,493 |
| **CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—** | | | |
| Crop as of September 1 (in thousands): | | | |
| Corn, all (bushels) | 4,381,772 | 4,173,470 | 3,799,844 |
| Wheat, all (bushels) | 1,116,405 | 1,118,960 | 1,462,218 |
| Winter (bushels) | 909,333 | 909,333 | 1,179,924 |
| All spring (bushels) | 207,072 | 209,627 | 282,294 |
| Durum (bushels) | 20,454 | 20,858 | 22,077 |
| Other spring (bushels) | 186,618 | 188,769 | 260,217 |
| Oats (bushels) | 1,075,378 | 1,048,533 | 1,422,164 |
| Barley (bushels) | 408,442 | 406,857 | 470,449 |
| Rye (bushels) | 20,996 | 20,996 | 32,485 |
| Flaxseed (bushels) | 23,756 | 23,231 | 39,543 |
| Rice (100 lb. bags) | 51,603 | 52,090 | 47,015 |
| Sorghum grain (bushels) | 565,629 | 508,394 | 614,845 |
| Cotton (bales) | 14,678 | 14,815 | 11,512 |
| Hay, all (tons) | 111,185 | 109,339 | 121,924 |
| Hay, wild (tons) | 8,946 | 8,893 | 10,481 |
| Hay, alfalfa (tons) | 62,213 | 61,574 | 67,134 |
| Hay, clover and timothy (tons) | 22,524 | 21,632 | 24,441 |
| Hay, lespedeza (tons) | 4,767 | 4,688 | 6,017 |
| Beans, dry edible (cleaned—100 lb. bags) | 19,088 | 18,535 | 18,981 |
| Peas, dry field (cleaned—100 lb. bags) | 4,191 | 4,101 | 2,475 |
| Soybeans for beans (bushels) | 532,669 | 531,439 | 574,413 |
| Peanuts (pounds) | 1,710,300 | 1,726,995 | 1,835,800 |
| Potatoes (hundredweight)— | | | |
| Winter | 3,874 | 3,874 | 4,971 |
| Early spring | 3,311 | 3,311 | 4,703 |
| Late spring | 22,553 | 22,553 | 24,152 |
| Early summer | 13,806 | 13,633 | 14,659 |
| Late summer | 33,705 | 33,664 | 34,308 |
| Fall | 169,648 | 168,957 | 182,936 |
| Total | 246,897 | 245,992 | 265,729 |
| Sweetpotatoes (hundredweight) | 17,974 | 17,852 | 17,434 |
| Tobacco (pounds) | 1,857,863 | 1,863,801 | 1,736,204 |
| Sugarcane for sugar and seed (tons) | 8,316 | 8,048 | 6,681 |
| Sugar beets (tons) | 16,305 | 16,075 | 15,183 |
| Broomcorn (tons) | 32 | 31 | 33 |
| Hops (pounds) | 53,385 | 52,641 | 48,407 |
| Apples, commercial crop (bushels) | 118,274 | 118,707 | 126,610 |
| Peaches (bushels) | 72,356 | 72,639 | 71,069 |
| Pears (bushels) | 31,308 | 32,277 | 28,890 |
| Grapes (tons) | 3,082 | 3,129 | 3,026 |
| Cherries (tons) | 219 | 219 | 192 |
| Apricots (tons) | 230 | 230 | 108 |
| Cranberries (barrels) | 1,264 | | 1,166 |
| Pecans (pounds) | 132,300 | 138,200 | 174,750 |
| **EDISON ELECTRIC INSTITUTE—** | | | |
| Kilowatt-hour sales to ultimate customers— Month of June (000's omitted) | 52,119,894 | 50,409,616 | 45,746,221 |
| Revenue from ultimate customers—Month of June | $867,189,000 | $841,988,000 | $768,636,000 |
| Number of ultimate customers at June 30 | 56,804,974 | 56,643,611 | 55,555,432 |
| **FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of July:** | | | |
| Contracts closed (tonnage)—estimated | 259,131 | 290,911 | 330,890 |
| Shipments (tonnage)—estimated | 238,559 | 365,434 | 290,856 |
| **FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE—U. S. DEPT. OF LABOR—Month of August:** | | | |
| Weekly earnings— | | | |
| All manufacturing | $88.70 | $89.87 | $84.35 |
| Durable goods | 96.12 | 97.03 | 91.14 |
| Nondurable goods | 80.00 | 80.00 | 76.04 |
| Hours— | | | |
| All manufacturing | 40.5 | 40.3 | 39.6 |
| Durable goods | 40.9 | 40.6 | 39.8 |
| Nondurable goods | 40.0 | 39.8 | 39.4 |
| Hourly earnings— | | | |
| All manufacturing | $2.19 | $2.23 | $2.13 |
| Durable goods | 2.35 | 2.39 | 2.29 |
| Nondurable goods | 2.00 | 2.01 | 1.93 |

Continued from page 49

**Northern Illinois Gas Co.**
June 9 it was announced that the company before the end of the year, expects either to sell $10,000,000 to $15,000,000 of straight, non-convertible preferred stock similar to the 1958 offering, or to borrow from banks to tide the company over the year-end, as it has done in the last two years. **Proceeds**—For construction program. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., both of New York.

**Piedmont Natural Gas Co.**
Sept. 9 it was reported stockholders will vote Sept. 24 on changing the authorized common stock from 1,000,000 shares of $1 par value (634,161 shares outstanding) to 2,000,000 shares of 50 cents par value to effect a two-for-one stock split, and on increasing the authorized preferred stock (no par value) from 50,000 shares to 100,000 shares, of which it is planned to issue and sell 35,000 shares. **Proceeds**—To retire bank loans. **Underwriter**—White, Weld & Co., New York.

**Reserve Insurance Co., Chicago, Ill.**
Sept. 14 it was reported that the company plans early registration of 110,837 shares of common stock, part of which will be sold for the account of the company and part for the account of certain selling stockholders. **Proceeds**—To increase capital and surplus. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

**Ryder System Inc.**
Aug. 3 it was reported that the company plans issuance this Fall of an additional 75,000 shares of present common stock (par $5), or 150,000 shares of new common stock (par $2.50). The ICC has approved the proposed two-for-one stock split. **Underwriter**—Blyth & Co., Inc., New York.

**★ Sams (Howard W.) & Co.**
Sept. 21 it was reported that this company plans a common stock offering, part of which will be sold for the company's account and part of which will be sold for the account of certain selling stockholders. **Underwriter**—Indianapolis Bond & Share Corp., Indianapolis, Indiana.

**Scott & Fetzer Co.**
Sept. 14 it was reported that the company plans early registration of 100,000 shares of common stock. **Business** — Manufactures vacuum cleaners. **Underwriters**—Kidder, Peabody & Co., New York, and McDonald & Co., Cleveland, Ohio.

**South Carolina Electric & Gas Co.**
June 22, S. C. McMeekin, President, announced plans to sell approximately $8,000,000 of bonds in December, 1959. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

**Southern Bell Telephone & Telegraph Co. (10/20)**
Aug. 24 company announced it plans to issue and sell $70,000,000 of 35-year debentures. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Oct. 20. **Registration** — Planned for late September.

**Tampa Electric Co.**
Sept. 14 it was reported that the company is planning the sale of about $7,000,000 of additional common stock, probably in the form of a rights offering and a negotiated underwriting. Last rights offering was underwritten by Stone & Webster Securities Corp., New York.

**Texas Gas Transmission Corp.**
Sept. 14 it was announced stockholders on Oct. 14 will vote on a proposal to market 150,000 shares ($15,000,000) of convertible second preferred stock, which will carry a dividend not to exceed 5½%. **Underwriter**—Dillon, Read & Co. Inc., New York.

**Tex-Tube, Inc.**
Aug. 28 it was announced that the stockholders of this company have authorized an additional 150,000 shares of common stock. **Proceeds**—For working capital. **Underwriter**—Moroney, Beissner & Co., Houston, Tex. **Offering** — Expected in the near future of a block of common stock. **Registration**—Planned for late Sept.

**Transwestern Pipe Line Co.**
Aug. 25 it was reported that this company expects to issue and sell $40,000,000 to $50,000,000 of new securities, probably in units. **Proceeds**—To build a pipe line from West Texas to the Arizona-California border. **Underwriters**—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

**★ Trav-ler Radio Corp.**
Sept. 10 it was reported that the company is contemplating the issuance and sale of some additional common stock. **Underwriters**—Lee Higginson Corp., New York; and Straus, Blosser & McDowell, Chicago, Ill.

**★ United States Fidelity & Guaranty Co. (9/24)**
Bids will be received up to noon (EDT) on Sept. 24 at Fidelity-Baltimore National Bank, 10 Light St., Baltimore 3, Md., for the purchase from the company of 3,232 shares of capital stock. **Proceeds**—To stockholders entitled to receive fractional shares in connection with 10% stock dividend declared on Aug. 26, 1959.

**Urethane Corp. of Calif.**
Sept. 14 it was reported that the company is planning the sale of 170,000 shares of 6% class A common stock and 170,000 shares of class B common stock. **Underwriter**—Wilson, Johnson & Higgins, San Francisco, Calif.

**★ Velvex Mid-City Parking Center (10/1)**
Sept. 22 it was reported that $1,015,000 of partnership participations will be registered in the immediate future with the Attorney General of the State of New York, for offering to New York State residents only. **Price**—$2,500 per unit. **Proceeds**—To purchase the property at 8th Avenue and 44th St., New York City. **Underwriter**—First Republic Underwriters, 49 W. 32nd St., New York 1, N. Y. **Offering**—Expected Oct. 1.

**★ Wisconsin Public Service Co. (10/29)**
Sept. 21 it was reported that the company plans the issuance and sale of $8,000,000 of 30-year first mortgage bonds due 1989. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co.; The First Boston Corp.; Kuhn, Loeb & Co. and American Securities Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Oct. 29. **Registration** — Scheduled for Oct. 1.

**★ Worcester County Electric Co. (12/7)**
Sept. 17 it was announced that this company plans to issue and sell $7,500,000 of first mortgage bonds, series E, due 1989. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; The First Boston Corp.; Coffin & Burr, Inc. **Bids**—Expected to be received on Dec. 7.

**World Fidelity Life Insurance Co.**
Aug. 17 it was reported that the company plans to use its best efforts to register 5,000,000 shares of common stock with the SEC. **Price**—$1 per share. **Office**—314 First National Bank Bldg., Colorado Springs, Colo.

**Yellow Transit Freight Lines, Inc.**
Sept. 1 it was announced that subject to ICC approval, it is planned to offer 206,000 shares of common stock, of which, 100,000 shares will be for the company's account and the remaining 106,000 shares for the account of certain selling stockholders. **Proceeds**—For working capital. **Underwriter**—Blyth & Co., Inc., New York. **Offering**—Expected sometime in October.

# Our Reporter's Report

The process of adjustment continues under way in the secondary corporate market, that is in the gilt-edge section of the list.

But things have taken on a brighter hue in the corporate new issue field even though this turn for the better might once more prove temporary.

**The fact remains that underwriters have had two "out-the-window" deals in the last week and that recent new emissions, released from syndicate to fend for themselves, have been doing quite well after their initial selloffs.**

New England Telephone Co.'s $45 million of new debentures carrying a 5¾% coupon and priced to yield 5.625%, were distributed quickly and moved to a premium over the offering price. Georgia Power 5¾s, priced to yield 5.65%, also were taken down quickly.

**The manner in which the issues, both lacking the attraction of a "non-callable" clause, went out suggests the market has moved into a new phase as far as corporate capital is concerned.**

Over the long years of artificially abundant and easy credit, borrowers have had the market pretty much to themselves except for one really basic consideration.

Bankers setting up financing operations, or bidding for new issues, had to contend with the fact that by far the bulk of a given piece of business would wind up with institutional investors.

And the latter were rough at times, fully content to sit back and let an issue settle down if the original pricing was not in keeping with their ideas.

**Profitable Spread Helps**

With yields on new issues now at levels where individuals can afford to look at them and with underwriters turning a bit more realistic in their pricing, the "hallroom boys" as buyers for institutions are frequently called, may not have things all their own way for a while.

Underwriters have been able to offer dealer concessions of around $7.50 per $1,000 bond on the two successful flotations which meant that the latter's representatives really were induced and able to go out and "ring door-bells."

**That phase of securities distribution has been a lost art over a long period for the reason that yields offered were far short of being attractive to the individual. He now may, at least, take a second look.**

**Easing the Load**

In view of the trend in prices and yields, it might not be surprising to see prospective borrowers turn a bit more cautious at this stage. Several tax exempt deals, none of them substantial, already have been set back for a while.

**Thus far nothing similar has happened in the corporate capital market but it is almost a certainty that if the calendar threatens to become really crowded bankers and borrowers will get around to rescheduling some business.**

As a matter of fact, some of the recent improvement marketwise in the recently released issues was ascribed to inklings, still unconfirmed, that American Telephone & Telegraph might decide to forego its $250 million project and get along with bank credit for a spell.

**New Issues Light**

Although the futures calendar continues to build up, the investment market will not be hampered especially by the several new issues ahead for next week.

Only two are debt issues of consequence, the largest being Southern California Gas Co.'s $30 million of bonds due up for bids on Tuesday, and Boston Edison Co.'s $15 million new bonds on which tenders will be opened Wednesday.

On Monday, Southern Gulf Utilities Inc., has 135,000 shares of common up for sale and on Tuesday United Utilities, Inc., is offering 229,606 shares on "rights."

## Heritage Corp. Common Stock Offered

Golkin, Bomback & Co. is offering today (Sept. 24), 100,000 shares of The Heritage Corp. of New York common stock at a price of $3 per share.

Net proceeds from the sales of the shares will be used by the company for general corporate purposes.

The Heritage Corp. of New York, organized under the laws of New York State on July 22, 1959, intends to engage in a real estate mortgage, brokerage, servicing and finance business. With its office in Albany, N. Y., the company expects to concentrate its activities primarily in the Albany - Troy - Schenectady area. This area is the second largest market area in upstate New York, and the company believes that no organization presently operating in the area offers as wide a range of mortgage financing services as that which the company proposes to offer.

Authorized capitalization of the company is 400,000 shares of common stock, 10 cents par value; 10,000 shares are already outstanding, and upon completion of the current financing outstanding capitalization of the company will consist of 110,000 shares of the common stock.

## E. E. Hawley Opens

SHREVEPORT, La.—Eugene E. Hawley is engaging in a securities business from offices at 1706 Centenary Boulevard.

# Washington and You

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C.—Before Congress adjourned *sine die* at 6:22 a.m. September 15, the law-makers passed a resolution setting the time for reconvening the second session of the 86th Congress at noon on Wednesday, January 6, 1960.

As the first session began January 7, and did not end until the middle of September, it was the longest session since 1951 when it ran from January 3 to October 20. But next year should be considerably shorter on Capitol Hill for the Senators and representatives.

Next year is the big election year, which could be a free-for-all affair, and the first of the two big political conventions will get underway in Los Angeles July 11, with the Democrats holding their first big pow-wow in the Far West for the first time in a long time. July 11 means, or should mean, that Congress for all practical purposes will be winding up the affairs of the session by the Fourth of July.

But what about the 1959 session which the Democrats hailed as being superb, and which President Eisenhower has sharply criticized for its "many failures"? The correct appraisal of the session lies somewhere between the first session being a tremendous success all-around and a bad session.

**Good on Balance**

Any fair-minded qualified observer of the actions of Congress, it would appear, would readily acknowledge that the Democratic-controlled Congress passed some good legislation that should benefit all of the people. Furthermore, they all would agree that the Republican membership, for the most part, was doing its part. Therefore, everything was not all white and all black.

The Democrats, the truth of the matter is, was on the spot because they had such a one-sided majority in both the House and Senate. The session started off extremely slow, but picked up momentum in the late spring. There were too many members of the Senate, all Democrats, that were running for the Presidential nomination. This fact alone slowed things down on occasion.

**Speaking in various parts of the country were Sen. Hubert H. Humphrey of Minnesota; Senator John F. Kennedy of Massachusetts; Senator Stuart Symington of Missouri, and Majority Leader Lyndon B. Johnson. Each of these men are running, although none has officially announced.**

Besides this quartet Senator John J. Sparkman of Alabama, and Senator Estes Kefauver of Tennessee, both of whom have been candidates on the Democratic Presidential ticket of the past, have been speaking hither and yon. The same is true for Senator Strom Thurmond of South Carolina, who rolled up the electoral vote of four Southern states in 1948 when he and the late Governor Fielding L. Wright of Mississippi campaigned on the States Rights ticket. Neither Senators Thurmond, Kefauver or Sparkman, is in the thick of the pre-convention politics this time.

**The President's Record**

The authoritative Congressional Quarterly says the recent session approved 40.4% of President Eisenhower's specific legislative requests, as compared with 37% of his specific requests getting approval in the first session of the 85th Congress in 1957. Of course Mr. Eisenhower had his greatest legislative years in 1953 and 1954, the first two years of his administration. The Republican-controlled Congress gave him a batting average of 72.7% in 1953 and 64.7% in 1954, the Congressional Quarterly tabulation shows.

A few days ago Mr. Eisenhower lashed out at the opposition-controlled Congress for increasing Federal spending and failing to act on a half-dozen or so issues, such as raising the 4¼% ceiling on long-term Government bonds.

**Mr. Eisenhower gave the American people a warm pat on the back with the assertion that they deserve the credit for forcing Congress to reject the lavish spending proposals of some Democrats. It is all right and perhaps a good thing in a Democracy for criticism. Nevertheless, Mr. Eisenhower could have been more specific in his criticism by pointing out that there are two types of Democrats in Congress with equally different political philosophies. To a limited extent the same could be applied to the Republican membership.**

**Some Major Laws Enacted And Pending**

Some of the major legislation passed at the recently-ended session included Hawaii statehood, making the Pacific Islands the 50th State of the Union; labor reform to curb the racketeers and gangsters that have gotten control of some unions; and providing for mutual security funds.

Also, measures providing Federal funds for airport construction; extending the draft of young men into the services; providing funds for the World Bank; raising taxes on life insurance companies; increasing the interest rate on E and H savings bonds; raising the debt limit of the Government; permitting the Tennessee Valley Authority (TVA) to issue bonds; raising the Federal gasoline tax by one cent to four cents; extending the corporate and excise taxes another year; and providing for another housing bill after two earlier vetoes;

**Remaining on the agenda for next year's session are the bills to increase the bond interest rate; Federal aid to education; water pollution control; providing funds for depressed areas, such as communities in coal mining regions. President Eisenhower in 1958 vetoed a $280,000,000 measure designed to aid in redeveloping parts of the country with chronic unemployment. The Senate passed this year a measure by Senator Paul H. Douglas of Illinois calling for $390,000,000. Subsequently, the House Banking and Currency Committee reported out a bill that provided for $251,000,000, but the bill never reached the House floor.**

A water pollution control bill was passed by both the House and Senate that would have made the provisions effective in 1960. However, the bill was put aside until next year as the sponsors were apprehensive that President Eisenhower might give it a pocket veto. By earlier action next year, the sponsors feel that they will have a much better change. The House passed a bill providing for $100,000,000 of Federal grants to encourage cities to build sewage treatment plants. Then the Senate in the closing days of the session passed a bill trimming it to $80,000,000 for matching funds. Although the two bodies were prepared for a compromise, they decided to postpone final action until next year.

**Rail Legislation Deferred**

Congress did approve and the President signed the bill extending for four years the Air Pollution Control Act of 1955. This law provides for $5,000,000 a year for research studies by the United States Public Health Service into the causes and control of air pollution.

Congress also completed action on a measure increasing the Small Business Administration's revolving business loan fund from $500,000,000 to $550,000,000. The Agency had requested that the fund be increased to $700,000,000.

**The Interstate and Foreign Commerce Committees of both the Senate and House approved bills that would authorize railroads to increase the rental charges on box cars as an inducement to get the railways to build more freight cars. Further action was put off until 1960. Neither did Congress take action this year on the committee-approved bills in both houses which would make it more difficult for railroads to abandon commuter train service when found to be unprofitable.**

**Minimum Wage Rise Stalled**

Efforts will be resumed next session to raise the minimum wage from $1 to $1.25 an hour. Secretary of Labor James P. Mitchell asked Congress not to raise the minimum wage this year, but to extend the coverage. The Senate Labor and Public Welfare Committee never got around to reporting out the wage increase proposal by Senator Kennedy.

**Chances are favorable that the minimum wage will be extended to cover department store workers and many others next year. If and when Congress votes to increase the minimum, it is likely to be around $1.15 an hour, rather than $1.25.**

**In the Foreign Field**

In the international monetary field, Congress authorized increases in the United States subscription to the International Monetary Fund and the International Bank for Reconstruction and development. The Monetary Fund received $1,375,000,000. The World Bank received $3,175,000,000. Congress charged the two sums as a public debt transaction.

Congress also approved United States membership in a new Inter-American Development Bank. This institution is designed to underwrite accelerated economic development in Latin-American countries. President Eisenhower said th[e] the action was truly a signi[fi]cant step in the history o[f] o[ur] economic relations with o[ur] neighbors in Central and Sou[th] America.

**The House Ways and M[eans] Committee, after long pro[and] con consideration, never [got] around to reporting out the Boggs bill which would provide tax incentives to those who would make foreign investments. The measure would make the tax deferral advantages to both individuals and American firms doing business anywhere outside the United States. The Treasury Department wants to limit such deferrals to undeveloped countries of Latin-America, Africa and Asia. Perhaps this conflict will be resolved at the 1960 session.**

*[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]*

## BUSINESS BUZZ


**"Trouble with that part-time worker is that she only works part of her part-time!"**

## Chase Manhattan Appoints V. P.s

Directors of The Chase Manhattan Bank have appointed three new Vice-Presidents, George Champion, President, has announced. They are Herbert F. Patterson in the international department, David A. Scott in the United States department, and John G. Winger of the petroleum department.

Mr. Patterson joined the [bank] in 1949. He was appointed Assistant Manager in 1952 and advanced to Assistant Vice-President in 1956. Mr. Scott, who [joined] the bank in 1922, was appointed an Assistant Manager in 194[.] and was promoted to Assistant Vice-President in 1950. Mr. W[inger] joined the bank in 1950. H[e was] named a petroleum econom[ist in] 1956.

William H. Adams was appointed an Assistant Vice-President in the trust department.

### Boettcher Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — R. T. B[...] Jr. has been added to the staff [of] Boettcher and Company, [...] Seventeenth Street, members [of] the New York Stock Exchange.

### Chace, Whiteside Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Myles Standish 3rd has been added to the staff of Chace, Whiteside & Winslow, Inc., 24 Federal Street, members of the New York and Boston Stock Exchanges.

### With Beecroft, Cole

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — Wilhelmina L. Pace has joined the staff of Beecroft, Cole & Co., Columbia Bank Building. She was formerly with Bonds, Inc.